

"The principal of the bonds shall be paid in annual installments on a fixed schedule, subject to the right of the British Government to make these payments in three-year periods. The amount of the first year's installment will be \$23,000,000 and these annual installments will increase with due regularity during the life of the bonds until, in the sixty-second year, the amount of the installment will be \$175,000,000, the aggregate installments being equal to the total principal of the debt.

"The British Government shall have the right to pay off additional amounts of the principal of the bonds on any interest date upon 90 days' previous notice.

"Interest is to be payable upon the unpaid balances at the following rates, on December 15 and June 15 of each year: At the rate of 3 per cent per annum, payable semiannually from December 15, 1922, to December 15, 1932, thereafter at the rate of 3½ per cent per annum, payable semiannually until final payment.

"For the first five years one-half the interest may be deferred and added to the principal, bonds to be issued therefor similar to those of the original issue.

"Any payment of interest or principal may be made in any United States Government bonds issued since April 6, 1917, such bonds to be taken at par and accrued interest—is hereby approved and authorized, and settlements with other governments indebted to the United States are hereby authorized to be made upon such terms as the commission, created by the act approved February 9, 1922, may believe to be just, subject to the approval of the Congress by act or joint resolution.

"SEC. 2. That the first section of the act entitled 'An act to create a commission authorized under certain conditions to refund or convert obligations of foreign governments held by the United States of America, and for other purposes,' approved February 9, 1922, is amended to read as follows:

"That a World War Foreign Debt Commission is hereby created consisting of eight members, one of whom shall be the Secretary of the Treasury, who shall serve as chairman, and seven of whom shall be appointed by the President, by and with the advice and consent of the Senate. Not more than four members so appointed shall be from the same political party."

"SEC. 3. That the provisions of section 2 of this act shall not affect the tenure of office of any person who is a member of the World War Foreign Debt Commission at the time this act takes effect."

Mr. McCUMBER. I move that the Senate agree to any conference asked by the House on the disagreeing votes of the two Houses upon the pending bill, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. McCUMBER, Mr. SMOOT, and Mr. WILLIAMS conferees on the part of the Senate.

THE MERCHANT MARINE.

Mr. JONES of Washington. I move that the Senate proceed to the consideration of the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes.

Mr. ROBINSON. I thought there was an understanding that upon the passage of the debt funding bill the Senate would adjourn until 11 or 12 o'clock to-morrow.

Mr. JONES of Washington. I will say to the Senator that after the motion I have made shall have been acted upon an adjournment will be taken.

Mr. ROBINSON. But the Senator's motion can not be acted upon this evening.

Mr. JONES of Washington. I shall insist upon my motion being disposed of to-night. I have moved that the Senate proceed to the consideration of House bill 12817.

Mr. ROBINSON. I move that the Senate do now adjourn.

Mr. JONES of Washington. On that motion I demand the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). I am paired with the junior Senator from Montana [Mr. WALSH], who, I observe, has left the Chamber. Therefore I am compelled to withhold my vote. If permitted to vote, I should vote "nay."

Mr. HARRIS (when his name was called). Repeating the previous announcement as to my pair, I withhold my vote.

Mr. LODGE (when his name was called). I transfer my pair with the Senator from Alabama [Mr. UNDERWOOD] to the Senator from Connecticut [Mr. BRANDEGEE] and vote "nay."

Mr. MCCORMICK (when his name was called). I transfer my pair with the junior Senator from Wyoming [Mr. KENDRICK] to the senior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. WILLIS (when his name was called). I am paired with my colleague, the senior Senator from Ohio [Mr. POMERENE]. I transfer that pair to the senior Senator from Iowa [Mr. CUMMINS] and vote "nay."

The roll call was concluded.  
Mr. CURTIS. I desire to announce the following pairs:  
The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and  
The Senator from West Virginia [Mr. ELKINS] with the Senator from North Carolina [Mr. SIMMONS].

The result was announced—yeas 30, nays 38, as follows:

YEAS—30.

Ashurst	Broussard	Dial	Gerry
Bayard	Capper	Fletcher	Glass
Brookhart	Caraway	George	Harrison

Hefin	McKellar	Robinson	Swanson
Hitchcock	McNary	Sheppard	Trammell
Jones, N. Mex.	Norris	Shields	Walsh, Mass.
King	Overman	Smith	
La Follette	Pittman	Stanley	
NAYS—38.			
Ball	Johnson	Moses	Spencer
Bursum	Jones, Wash.	Nelson	Sterling
Calder	Kellogg	New	Sutherland
Cameron	Keyes	Oddie	Townsend
Colt	Lenroot	Page	Warren
Curtis	Lodge	Phipps	Watson
Dillingham	McCormick	Ransdell	Weller
Ernst	McCumber	Reed, Pa.	Willis
Fernald	McKinley	Shortridge	
Hale	McLean	Smoot	
NOT VOTING—28.			
Borah	France	Myers	Reed, Mo.
Brandeggee	Frelinghuysen	Nicholson	Simmons
Couzens	Gooding	Norbeck	Stanfield
Culberson	Harrell	Owen	Underwood
Cummins	Harris	Pepper	Wadsworth
Edge	Kendrick	Poinexter	Walsh, Mont.
Elkins	Ladd	Pomerene	Williams

So the Senate refused to adjourn.

The VICE PRESIDENT. The question is on the motion of the Senator from Washington [Mr. JONES] to proceed to the consideration of House bill 12817.

Mr. FLETCHER. May I ask the Senator if it is his purpose to go on with the bill to-night if the motion prevails?

Mr. JONES of Washington. It is not. I am perfectly willing to have an adjournment taken when the motion is agreed to.

Mr. FLETCHER. To what hour?

Mr. JONES of Washington. I am ready to adjourn until 11 o'clock to-morrow.

Mr. ROBINSON. Very well, Mr. President; with that understanding I make no further objection.

The VICE PRESIDENT. The question is on the motion of the Senator from Washington.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes.

Mr. JONES of Washington. I ask unanimous consent that a reprint of the bill may be made, showing the amendments as reported by the committee and certain amendments which I expect to propose to the bill.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. McNARY. I submit an amendment intended to be proposed by me to the pending bill, which I ask may lie on the table and be printed.

The VICE PRESIDENT. It will be so ordered.

ADJOURNMENT.

Mr. JONES of Washington. I move that the Senate adjourn until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 7 o'clock and 30 minutes p. m.) the Senate adjourned until to-morrow, Saturday, February 17, 1923, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

FRIDAY, February 16, 1923.

The House met at 12 o'clock noon.  
The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

The Lord reigneth. There is but one God, and in the hollow of His hand all things rest. Come to our waiting hearts and surround us this day with the circle of Thy care. May we so labor that nothing of Thy Providence shall be wasted upon us. Give us a growing insight into all problems which are related to the happiness and prosperity of our country. Establish all our ways in the paths of Thy truth. Comfort the sick and the distressed with Thy grace. Bless and keep those whose dumb entreaties are written on their hearts and whose language can not be told. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

SENATE BILL LAID ON THE TABLE.

Mr. SNYDER. Mr. Speaker, by direction of the Committee on Indian Affairs, I ask unanimous consent that the bill (S. 3790) authorizing the Secretary of the Interior to enter into an agreement with Toole County irrigation district, of Shelby, Mont., and the Cut Bank irrigation district, of Cut Bank, Mont., for the disposal of the surplus waters of Milk River, Two Medicine, Cut Bank, and Badger Creeks, not needed by the

Indians of the Blackfeet Indian Reservation for domestic or irrigation purposes, be laid on the table.

The SPEAKER. The gentleman from New York asks unanimous consent that the bill S. 3790 be laid on the table. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed without amendment the following concurrent resolution:

House Concurrent Resolution 84.

Resolved by the House of Representatives (the Senate concurring), That the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate No. 124 to the bill (H. R. 13660) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1924, and for other purposes, be authorized to agree to striking out the following language from said amendment: "at the Virginia end of the Key Bridge."

The message also announced that the Senate had passed without amendment the bill of the following title:

H. R. 13351. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the Daughters of the American Revolution of the State of South Carolina the silver service which was used upon the battleship *South Carolina*.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the bill (S. 3220) to amend sections 2, 5, 11, 12, 15, 19, 29, and 30 of the United States warehouse act, approved August 11, 1916.

The message also announced that the Senate had passed the following concurrent resolution, in which the concurrence of the House of Representatives was requested:

Resolved by the Senate (the House of Representatives concurring), That the action of the Speaker of the House of Representatives and of the President of the Senate in signing the enrolled bill (S. 2023) defining the crop failure in the production of wheat, rye, or oats by those who borrowed money from the Government of the United States for the purchase of wheat, rye, or oats for seed, and for other purposes, be rescinded and that the Secretary be authorized and directed to reenroll the bill with the following amendments:

On page 1, line 6, after the words "United States," insert "in the years 1918 and 1919."

Amend the title so as to read, "An act defining the crop failure in the production of wheat, rye, or oats by those who borrowed money from the Government of the United States in the years 1918 and 1919 for the purchase of wheat, rye, or oats for seed, and for other purposes."

LIQUOR SHIPMENTS TO DIPLOMATIC REPRESENTATIVES.

Mr. CRAMTON. Mr. Speaker, I move that the Committee on the Judiciary be discharged from further consideration of House Resolution 503.

The SPEAKER. The gentleman from Michigan moves to discharge the Judiciary Committee from further consideration of House Resolution 503.

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent to proceed for three minutes.

The SPEAKER. The gentleman from Michigan asks unanimous consent to proceed for three minutes. Is there objection?

Mr. GARRETT of Tennessee. Reserving the right to object, the gentleman will have control of the time.

Mr. CRAMTON. I am not insistent on it, but I thought the House would prefer a brief statement.

The SPEAKER. The gentleman from Tennessee means after the committee is discharged?

Mr. GARRETT of Tennessee. Yes.

Mr. CRAMTON. I thought the House would prefer a brief statement at this time.

The SPEAKER. There is no debate on the motion to discharge the committee except by unanimous consent. If the committee is discharged the gentleman will have an hour, and the Chair presumes that the gentleman from Tennessee referred to that time.

Mr. GARRETT of Tennessee. At some time before it is finally disposed of.

The SPEAKER. Is there objection to the request of the gentleman from Michigan for three minutes?

There was no objection.

Mr. CRAMTON. Mr. Speaker, I do not care to discuss the merits of the resolution further than to say that it is one of two resolutions introduced by me 10 days ago, which went to the Judiciary Committee, and were very promptly handled by that committee and referred to the department for information. That information has come back from both departments—from the State Department quite full and complete and the Treasury Department complying in part. I want to make it clear to the House that my action in asking to have the committee discharged is not to be taken in any way as a reflection on that committee or as indicating any reluctance on their part to have

acted upon it. My action is in accord with the consent of the chairman. The committee is busily engaged in important matters, and this is a matter the House can handle whether reported or not. There is no question as to what would have been the action of the committee, but rather than to wait until the next session of the committee on Monday, and rather than to unnecessarily take up their time on what is merely a formal matter, I have taken this course. There is no question but that the committee would have acted favorably if I had asked action by them.

Mr. GARRETT of Tennessee. Let the resolution be reported.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 503.

Resolved, That the Secretary of the Treasury be, and he is hereby, directed to inform the House of Representatives, if not incompatible with the public interest, as follows:

1. What shipments of intoxicating liquors for beverage purposes consigned to representatives of foreign governments having a diplomatic status in the United States have been imported into the United States since January 17, 1920, giving in connection with each such shipment the name and office of the consignee, the country to which he was accredited, the kind and quantity of liquor, the place from which shipped to the United States, to whom delivered by the Customs Service, and the date of such delivery to the consignee or his representative.

2. What rules or regulations, if any, have been adopted or put in force by the Treasury Department or any officer thereof since January 17, 1920, with reference to the importation of intoxicating liquors for beverage purposes for representatives of foreign governments having a diplomatic status in the United States.

3. If any such rules or regulations have been so adopted or put in force, or any such liquors have been so imported since January 17, 1920, under the authority of what law, if any, the Treasury Department acted in adopting or putting in effect such rules or regulations or in permitting such importations.

Mr. GARRETT of Tennessee. Mr. Speaker, I reserve a point of order on the resolution, if it is not too late. This is the first time it has been reported.

The SPEAKER. The Chair thinks it is not too late.

Mr. GARRETT of Tennessee. The latter clause calls for an opinion for the reason that it asks the Secretary of the Treasury to state under what law, if any, the Treasury Department acted in adopting or putting in effect rules or regulations permitting importations.

The SPEAKER. The Chair thinks that that point of order does not lie. It simply asks under what law the Treasury Department acted.

Mr. GARRETT of Tennessee. It would require a construction of the law, would it not?

The SPEAKER. The Chair thinks not.

Mr. GARRETT of Tennessee. I withdraw the point of order.

Mr. HILL. Mr. Speaker, I make the point of order that no quorum is present. This is a very interesting question.

The SPEAKER. There is no debate permitted on the motion. The gentleman from Maryland makes the point that no quorum is present.

Mr. DARROW. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

Ansorge	Fairfield	Lee, N. Y.	Schall
Anthony	Fess	Little	Scott, Mich.
Barkley	Fish	McClintic	Scott, Tenn.
Bird	Focht	McLaughlin, Nebr.	Sears
Bland, Ind.	Free	McLaughlin, Pa.	Siegel
Bond	Gallivan	Martin	Sinclair
Bowers	Garner	Mead	Slomp
Brand	Glynn	Michaelson	Smith, Mich.
Brennan	Gould	Mills	Smithwick
Brooks, Ill.	Graham, Pa.	Montague	Stinnes
Brooks, Pa.	Griffin	Moore, Ill.	Stoll
Burdick	Hawes	Morin	Strong, Pa.
Burke	Himes	Mott	Sullivan
Burtness	Humphreys, Miss.	Mudd	Summers, Wash.
Burton	Hutchinson	Nelson, J. M.	Sweet
Cable	Johnson, Ky.	Newton, Mo.	Tague
Carew	Johnson, Miss.	Nolan	Taylor, Ark.
Chandler, N. Y.	Johnson, S. Dak.	O'Brien	Taylor, Colo.
Chandler, Okla.	Kahn	O'Connor	Taylor, N. J.
Classon	Keller	Overstreet	Thomas
Cockran	Kennedy	Park, Ga.	Thorpe
Codd	Kiess	Parks, Ark.	Tinkham
Connolly, Pa.	Kindred	Paul	Vestal
Cullen	King	Perlman	Volk
Curry	Kitchin	Rayburn	Ward, N. Y.
Davis, Minn.	Kiecza	Reber	Wheeler
Dominick	Kline, N. Y.	Riddick	Winslow
Drane	Knight	Rodenberg	Yates
Dupré	Kopp	Rose	Zihlman
Dyer	Kraus	Rossdale	
Edmonds	Kreider	Ryan	

The SPEAKER. On this roll 307 Members have answered to their names, a quorum.

Mr. DARROW. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

The SPEAKER. The question is on the motion of the gentleman from Michigan to discharge the Committee on the Judiciary from further consideration of House Resolution 503. The motion was agreed to.

The SPEAKER. The Clerk will report the resolution.

The Clerk again reported the resolution.

Mr. CRAMTON. Mr. Speaker, on February 3 I introduced two resolutions of inquiry relating to the importation of liquors for the use of embassies of foreign governments, one resolution calling for information from the State Department and the other from the Treasury Department. At that time I made the following statement with reference to the purpose of the resolutions:

Of late the importation and use of liquors for foreign embassies and legations has been the subject of country-wide discussion. This has been particularly true in Washington, where the problem of enforcement of the eighteenth amendment is said to be acutely affected by the presence of these liquors. To what extent it really is affected is uncertain, so conflicting are the various published reports. The other day the President said the question of the amount of liquor to be received by the diplomatic corps here is a matter for Congress to consider rather than the Executive. It is time Congress and the country knew the facts about this, knew whether that which has been permitted as a courtesy is being used as a cover for abuses seriously contributing to scandalous disregard of the fundamental law of our land. When Congress has from the departments the authentic facts as to the extent of such importations and the law under which it is being done, we can decide better what, if anything, is necessary to safeguard the courtesy or to end the abuses.

My resolution asks of the Treasury Department a statement in detail of all importations of liquors for the diplomatic corps during the last three years under national prohibition, the regulations governing such importations, and under what law the department acts. Of the State Department the resolution asks: What regulations have been adopted, what certificates of identification have been issued, and under what law the department acts?

House Resolution 503 has been read by the Clerk; House Resolution 504 is as follows:

*Resolved*, That the Secretary of State be, and he is hereby, directed to inform the House of Representatives, if not incompatible with the public interest, as follows:

1. What rules or regulations, if any, have been adopted or promulgated by the Department of State or any officer thereof with reference to the importation into the United States and transportation therein of intoxicating liquors for beverage purposes for representatives of foreign governments having diplomatic status in the United States since January 17, 1920?

2. To what representatives of foreign governments having a diplomatic status in the United States have certificates of identification been issued by or on behalf of the Department of State since January 17, 1920, for the purpose of enabling such representatives to secure any such importations?

3. If any such rules or regulations have been so adopted or promulgated, or certificates of identification have been issued, under the authority of what law the Department of State acted?

Those resolutions went to the Committee on the Judiciary and, as is customary, the chairman of that committee asked the State and Treasury Departments for information with reference to them. The State Department furnished a response which appealed to me as complying fairly well with the resolutions. From the State Department there came copies of opinions rendered by the Attorney General covering the question of the law governing this matter. I ask unanimous consent at this point to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRAMTON. I shall insert these papers in full at this point in my remarks. They are as follows:

DEPARTMENT OF STATE,  
Washington, February 10, 1923.

HON. ANDREW J. VOLSTEAD,  
Chairman Committee on the Judiciary,  
House of Representatives.

SIR: I have the honor to acknowledge the receipt of your letter of February 6, 1923, inclosing a copy of House Resolution 504, which was introduced by Representative CRAMTON on February 3, 1923, and referred to your committee. You state that the committee will be glad to have any information or suggestions that this department would care to submit to it before acting upon this resolution.

I have the honor to state that I am entirely willing to furnish the committee all the information which I can properly transmit, and for this purpose the adoption of the resolution is unnecessary.

1. Regarding the inquiry concerning the rules and regulations, if any, adopted by the department or any officer thereof with reference to the importation into the United States and transportation therein of intoxicating liquors for beverage purposes for representatives of foreign governments having a diplomatic status, I may observe that the administration of the law regarding this subject is, as you know, not vested in this department, and neither the Department of State nor any officer thereof has adopted or promulgated any rules or regulations with reference to the importation or transportation of intoxicating liquors belonging to diplomatic representatives of foreign governments.

2. As to the inquiry, "To what representatives of foreign governments having a diplomatic status in the United States have certificates of identification been issued by or on behalf of the Department of State since January 17, 1920, for the purpose of enabling such representatives to secure any such importations," I beg to say:

As you are doubtless aware, diplomatic officers accredited by foreign governments to the United States and received as such, together with the members of their missions, including their families and servants,

are immune from arrest, and their baggage and property can not be distrained, seized, or attached. In this connection I may call your attention to the provisions of sections 4062 to 4065 of the Revised Statutes of the United States in relation to the inviolability of the person and property of diplomatic officers and their domestics and domestic servants. Section 4063 of the Revised Statutes provides that the immunities granted by the preceding section are not to "apply to any case where the person against whom the process is issued is a domestic servant of a public minister unless the name of the servant has, before the issuing thereof, been registered in the Department of State and transmitted by the Secretary of State to the marshal of the District of Columbia, who shall upon receipt thereof post the same in some public place in his office." It has been customary for many years for this department to issue, at the request of foreign diplomatic officers, certificates of identification for themselves or for their domestic servants duly registered in order that such persons might not experience difficulties in obtaining the immunities to which they are entitled.

Copies of the form of certificates of identification issued are inclosed. The department does not require a statement of the purposes for which these certificates are to be used, nor do the certificates that are issued indicate that they are to be used for any specific purpose.

Copies of requests for certificates showing that they are desired in order to secure diplomatic privileges and immunities and the purposes of the requests are transmitted to the Treasury Department for its information.

3. Concerning the inquiry as to the authority of law under which the department acts in such matters, I may state that it acts under the recognized principles of international law, the sections of the Revised Statutes referred to above, and the pertinent court decisions.

As of possible interest to you, I inclose copies of opinions of Attorney General Palmer dated May 8 and December 5, 1919, and of Acting Attorney General King dated January 12, 1920, concerning the immunity of diplomatic officers.

I have the honor to be, sir, your obedient servant.

CHARLES E. HUGHES.

(Inclosures: Form of certificate of identification for diplomatic officer. Same for employee of embassy or legation. Opinions of Attorney General Palmer of May 8 and December 5, 1919. Opinion of Acting Attorney General King of January 12, 1920.)

To whom it may concern:

This is to certify that \_\_\_\_\_ is the minister of \_\_\_\_\_, and that he is, therefore, entitled by the laws of the United States to the diplomatic privileges and immunities corresponding to his office.

DEPARTMENT OF STATE,  
Washington.

To whom it may concern:

This is to certify that \_\_\_\_\_ is an employee of the \_\_\_\_\_ Embassy; that he is duly registered in the Department of State in accordance with the provisions of article 4065 of the Revised Statutes of the United States; and that he is therefore entitled to the diplomatic privileges and immunities corresponding to his functions.

DEPARTMENT OF STATE,  
Washington.

DEPARTMENT OF JUSTICE,  
Washington, May 8, 1919.

HON. ROBERT LANSING,  
Secretary of State, Washington, D. C.

DEAR MR. SECRETARY: I have the honor to acknowledge receipt of your letter of April 9, referring to the act of March 3, 1917, which was later made applicable to the District of Columbia, known as the Reed amendment, and to the provision of the act of November 21, 1918, to the effect that "no distilled, malt, vinous, or other intoxicating liquors shall be imported into the United States during the continuance of the present war and period of demobilization," and requesting an opinion on the following questions:

"1. Will a railroad or express company or other carrier be exempt from the penalty of the Reed amendment if it transports in interstate commerce a shipment of intoxicating liquors consigned to a diplomatic representative of a foreign country residing in the District of Columbia?"

"2. Will a vendor or manufacturer of intoxicating liquors who accepts an order for intoxicating liquors from a diplomatic representative of a foreign country residing in the District of Columbia, and ships the same in interstate commerce into the District of Columbia, addressed to such diplomatic representative, be subject to penalty under the Reed amendment?"

"3. Will a shipment of intoxicating liquors from abroad, addressed to a diplomatic representative in the District of Columbia, be permitted to come into this country and be transported to the District of Columbia, in spite of the provisions of the act of November 21, 1918?"

To answer the questions thus submitted, it is necessary to consider the so-called Reed amendment of March 3, 1917, afterwards made applicable to the District of Columbia, and the act of November 21, 1918, which prohibits the importation of intoxicating liquors of any kind during the period of war and demobilization.

The Reed amendment is directed only against the transportation of liquor in interstate commerce. It subjects to its penalties all persons, including carriers, who cause intoxicating liquors to be transported from any point in the United States into the District of Columbia for beverage purposes. It does not, however, apply to foreign commerce, and hence does not prohibit the transportation of such liquors from a foreign country to any point within the United States.

The act of November 21, 1918, on the other hand, does not relate to interstate commerce or transportation, but, in the broadest terms, prohibits the importation into this country of intoxicating liquors. The two acts together make it unlawful to cause liquor to be transported into the District of Columbia from any point within the United States or to import it from a foreign country. Carriers who knowingly transport such liquors from within the United States into the District of Columbia are subject to the penalties of the Reed amendment. In the case of the importation of liquor from foreign countries, however, the offense consists of bringing it into this country, and a carrier who, as a part of the transportation from a foreign country to a point within the United States, transports it from the port of entry to its destination, transports it not in interstate commerce but in foreign commerce, and hence is not guilty of a violation of either the Reed amendment or the act of November 21, 1918. In

such case, the latter act is violated by the importer when the liquor is brought into the United States.

While the law is as stated above, it is also true that diplomatic representatives of foreign countries, residing in the District of Columbia, are entitled to certain well-established immunities. Section 4063 of the Revised Statutes is as follows:

"Whenever any writ or process is sued out or prosecuted by any person in any court of the United States, or of a State, or by any judge or justice, whereby the person of any public minister of any foreign prince or State, authorized and received as such by the President, or any domestic or domestic servant of any such minister, is arrested or imprisoned, or his goods or chattels are distrained, seized, or attached, such writ or process shall be deemed void."

By section 4065, however, it is provided that the section just quoted shall apply only to those domestic servants whose names shall have been registered in the Department of State and transmitted by the Secretary of State to the marshal of the District of Columbia. This statute is declaratory of recognized rules of international law.

It follows that while the importing into this country or the bringing into the District of Columbia in interstate commerce of intoxicating liquors is an offense against the laws referred to, no diplomatic representative of any foreign country received by the President and residing in the District of Columbia, nor any domestic servant of such representative whose name has been duly registered, is subject to arrest for such an offense. Intoxicating liquors belonging to such a diplomatic representative are a part of his goods and chattels, and as such are not subject to seizure or detention. This immunity does not extend, however, to persons other than the representative himself and his registered domestic servant who may be found transporting liquors from any point within the United States into the District of Columbia, although such liquors may be the property of a foreign diplomatic representative and are being transported for delivery to him.

It is unlawful to sell intoxicating liquors in the District of Columbia. It would be scarcely claimed that an indictment under this law could be defeated by showing that the sale was made to a diplomatic representative of a foreign country. Likewise, it is unlawful to cause intoxicating liquors to be transported from Baltimore, for instance, to Washington. And I apprehend that one could not successfully defend against an indictment for such transportation by showing that the liquors transported were the goods and chattels of a foreign diplomatic representative.

To illustrate the principle, a foreign ambassador could not be indicted for a violation of the game laws of any of the States. But this would not give immunity to any American citizen who should invite him to a hunting party conducted in disregard of the game laws.

In accordance with the law as above stated, I answer your questions as follows:

1. A railroad or express company or other carrier is not exempt from the penalty of the Reed amendment if it transports in interstate commerce a shipment of intoxicating liquors consigned to a diplomatic representative residing in the District of Columbia.

2. A vendor or manufacturer of intoxicating liquors who accepts an order for intoxicating liquors from a diplomatic representative of a foreign country residing in the District of Columbia and ships the same in interstate commerce into the District of Columbia addressed to such diplomatic representative is subject to the penalty of the Reed amendment.

3. Laws prohibiting importation are enforced by criminal prosecutions and by seizure and forfeiture of goods. They can not be enforced against a diplomatic representative, who is immune from arrest and whose goods and chattels are not subject to seizure. It follows that a shipment of liquors from abroad, addressed to a diplomatic representative in the District of Columbia, can not be seized and molested, and hence its entry must be permitted. Having thus entered the country, its transportation from the seaport to its destination is an incident of foreign and not interstate commerce, and hence not prohibited.

Respectfully,

A. MITCHELL PALMER, *Attorney General.*

DEPARTMENT OF JUSTICE,  
Washington, December 5, 1919.

HON. ROBERT LANSING,  
*Secretary of State, Washington, D. C.*

MY DEAR MR. SECRETARY: I have the honor to acknowledge receipt of your letter of December 2 calling my attention to recent prohibition legislation in connection with the opinion given you on May 8, 1919.

At the time the opinion referred to was given the statutes involved were the so-called Reed amendment, which prohibited the shipment of intoxicating liquors into States whose laws prohibited the sale and manufacture of such liquors, the later act which made the provisions of that act applicable to the District of Columbia, and the act of November 21, 1918, which prohibited the importation of intoxicating liquors into the United States. I held at that time that while the importation of intoxicating liquors was prohibited the method of enforcing the prohibition was a seizure of the liquors; and since the goods and chattels of diplomatic representatives of foreign countries were immune from seizure, the importation of liquors by such diplomatic representatives could not be prevented. I further held that the only Federal law affecting the right to transport liquors was the Reed amendment, which was limited in its operations to the shipments in interstate commerce. And since goods consigned in a foreign country to a diplomatic representative in Washington were in foreign and not interstate commerce, the Reed amendment had no application; and that the railroad company which transported the liquors from the seaport to Washington being engaged in foreign commerce was not guilty of a violation of the Reed amendment.

Title I of the recent prohibition enforcement act relates alone to the enforcement of the act of November 21, 1918, and does not in any way affect the questions involved. Title II of the prohibition enforcement act, however, which goes into effect contemporaneously with the prohibition amendment, makes it unlawful to transport liquor within the United States without regard to whether the transportation be intrastate, interstate, or foreign commerce. I am, therefore, constrained to the view that when that act becomes effective it will be unlawful for any common carrier to transport from the seaport to Washington any intoxicating liquors intended for beverage purposes, although they be consigned to a diplomatic representative of a foreign country.

Of course, as you suggest, on account of the immunity of diplomatic representatives from arrest and the immunity of their goods and chattels from seizure such representatives can not be prevented from

transporting to Washington personally and through their registered servants such intoxicating liquors as they may bring into the country.

Respectfully,

A. MITCHELL PALMER, *Attorney General.*

OFFICE OF THE ATTORNEY GENERAL,  
Washington, D. C., January 12, 1920.

HON. ROBERT LANSING,  
*Secretary of State, Washington, D. C.*

DEAR MR. SECRETARY: I have the honor to acknowledge receipt of your letter of December 29, referring to yours of November 2, 1919, and inclosing copy of a note, dated December 13, 1919, from the Norwegian Minister asking to be informed of the status of consular and diplomatic representatives in this country with respect to the prohibition laws of the United States. I presume the reference is to such status when Title II of the recent national prohibition act and the eighteenth amendment go into effect. If you will refer to my letter of December 5, in answer to yours of December 2, you will see that I then expressed my views on this question. The importation of intoxicating liquors will be unlawful, but since foreign ministers are immune from arrest and their goods and chattels immune from seizure or detention they can not be prevented from bringing liquors into any port of the United States, nor can they be prevented from personally, or through their registered servants, transporting such liquors from the seaport to Washington. This immunity, however, can not be extended to a common carrier who is subject to the laws of the United States. In other words, it can not be said that because a foreign minister may without interference from this Government transport liquors that this licenses a common carrier to transport them for him when such transportation is forbidden by the law. The act of Congress is as broad as it can be made, and there is no authority in the executive department of the Government to make an exception to the prohibition against transportation which Congress has not seen fit to make. This, in connection with my letter of December 5, I think fully answers your question.

Respectfully,

ALEX. C. KING, *Acting Attorney General.*

I wish to call attention particularly at this time to their purport and to their essential points. The Attorney General's opinion, as will be seen, points out that under section 4063 of the Revised Statutes the persons and property of ministers from foreign countries, and of any domestic or domestic servant of such ministers, are immune from arrest or seizure. Any foreign minister duly accredited, his domestic or domestic servants, can not be arrested for any offense against our laws and his property can not be seized. Further, the Attorney General holds that under the prohibition amendment and Title II of the Volstead Act the importation of liquor and the transportation of liquor for a foreign minister or his domestics or domestic servants is unlawful and in violation of the law, but that because of the statute of immunity such person can not be arrested and liquor in his possession can not be seized; but the opinion makes it clear, states directly, that the importation even by one enjoying such immunity is unlawful under the Volstead Act and the eighteenth amendment. Further, that a common carrier who transports such liquors would be subject to the penalties of the law, because the immunity would not be extended to the common carrier. He does not say—it was not in issue—but I assume that what he says of a common carrier would be true as well of a private carrier hired for a particular trip.

The Secretary of the Treasury has furnished much of the information requested, has pointed out their procedure, and submitted a circular which I shall insert in the Record, under which it appears that as soon as the Attorney General's opinion was available the Treasury Department changed their regulations as to handling shipments coming in for the diplomatic corps to the extent that such shipments should not be received through the customs without examination, but that it should be sufficient, so far as examination was concerned, to accept a statement of the diplomatic representative as to whether or not the shipment contained intoxicating liquors. So that the customs officials have information when the shipments are received as to whether or not they contain intoxicating liquors. That information is sent to the Treasury Department. The Treasury Department stated that they felt they ought not to give out that information. I have discussed the matter since with officials of the Treasury Department, and they say that what action they would take in response to their resolution if passed by the House is not definite. That is, the fact that they have heretofore in their letter to the Judiciary Committee declined to give the information does not necessarily settle the question of what they will do in response to a request coming direct from the House. The letter of the Secretary of the Treasury and accompanying papers are as follows:

THE SECRETARY OF THE TREASURY,  
Washington, February 13, 1923.

DEAR MR. CHAIRMAN: I received your letter of February 6, 1923, transmitting a copy of House Resolution 503, directing the Secretary of the Treasury to furnish information as to the importation and transportation of intoxicating liquors by diplomatic representatives of foreign governments in the United States. I see no occasion for the passage of this resolution, for the Treasury is quite prepared to furnish to the committee, without a formal resolution, any information that it can properly give as to the shipments or the rules and regulations which govern them.

I am inclosing for the use of the committee copies of the several Treasury decisions and letters of instruction issued since January 17,

1920, governing importations by diplomatic representatives of foreign governments in the United States, from which it appears that the same rules apply to intoxicating liquors as to other articles imported by foreign diplomats, with the exception that intoxicating liquors will be delivered only to persons holding credentials issued by the Department of State as foreign diplomatic officers. It is well established that diplomatic representatives of foreign governments are entitled to the free entry of goods as a matter of international comity and usage, and in order to provide all necessary safeguards against unauthorized importations by persons not enjoying the diplomatic status the Treasury requires that diplomatic credentials be presented and receives reports of all importations of intoxicating liquors by diplomatic representatives of foreign governments. The Treasury does not, of course, endeavor to exercise control over the disposition of intoxicating liquors delivered to diplomatic representatives of foreign governments, and it is manifest that it could not do so without infringing their diplomatic privileges and immunities. Nor could it properly give out any reports or other information as to importations of intoxicating liquors by foreign diplomatic representatives, in view of their diplomatic status and the protection of person and property to which that entitles them.

I trust that this furnishes the information which the committee desires.

Very truly yours,

A. W. MELLON,  
Secretary of the Treasury.

HON. ANDREW J. VOLSTEAD,  
Chairman Committee on the Judiciary,  
House of Representatives, Washington, D. C.

ART. 376. Baggage: The privilege of free entry (and exemption from examination) is extended to the baggage and other effects of the following officials, their families, suites, and servants:

Foreign ambassadors, ministers, chargés d'affaires, Secretaries and naval, military, and other attachés at embassies and legations, high commissioners and consular officers accredited to this Government or en route to and from other countries to which accredited and whose governments grant reciprocal privileges to American officials of like grade accredited thereto.

Similar representatives of this Government abroad, including consular officers returning from their missions.

Other high officials of this and foreign governments.

Applications should be made to the Department of State for the free entry of the baggage and extension of courtesy to all foreign ambassadors and other foreign officers. Application should also be made through the Department of State in the case of diplomatic and consular officers of the United States returning from their missions. Other high officials of this Government may, however, make application direct to the Treasury Department for the extension of courtesies.

In the absence of special authorization from the department prior to the arrival of any of the persons above referred to, collectors of customs may accord the privileges of this article to them upon presentation of their credentials or by otherwise establishing their identity.

Collectors will keep a record of the privileges granted, whether the subject of instructions from the department or not, containing the name of the person to whom granted, his rank or designation, the name of the vessel and date of arrival.

If by accident or unavoidable delay in shipment, the baggage or other effects of a person of any of the classes mentioned in this article shall arrive after him, the same may be passed free of duty upon his declaration (without examination).

The above article was amended by T. D. 38510, October 4, 1920, by the omission of the clauses in parentheses providing for the exemption from examination.

ART. 377. Imported articles: Members and attachés of foreign embassies and legations may receive articles imported for their personal or family use free of duty without examination, upon the department's instructions in each instance, which will be issued only upon the request of the Department of State.

Packages bearing the official seal of a foreign government will be admitted to free entry without examination. Costumes, regalia, and other articles for the official use of diplomatic or consular officers of a foreign government will be admitted free of duty.

Collectors will take charge of all packages addressed to diplomatic officers of foreign nations which arrive in advance of the receipt of instructions for free entry. Notification of such arrivals should be sent to the Secretary of the Treasury.

#### CUSTOMS.

(T. D. 38510.)

#### Baggage and effects—Customs regulations amended.

ARTICLE 376, CUSTOMS REGULATIONS OF 1915, AMENDED TO REQUIRE EXAMINATION OF BAGGAGE AND EFFECTS PERMITTED FREE ENTRY THEREUNDER.

TREASURY DEPARTMENT, October 4, 1920.

#### To collectors of customs and others concerned:

In order to prevent the importation of intoxicating beverages in violation of the national prohibition act, as construed by the Attorney General, it has become necessary to require the examination of all baggage and effects for which free entry is granted pursuant to the provisions of article 376 of the Customs Regulations of 1915.

You will hereafter make an immediate report to the Secretary of the Treasury (Division of Customs) of all violations of the prohibition law which come to your attention as the result of such examinations.

As this practice will be a distinct departure from the custom that has prevailed of waiving examination when admitting effects to free entry, you should take immediate steps to impress upon your force the necessity for careful compliance with the amended regulations.

JOSEPH SHOUSE, Assistant Secretary.

TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
Washington, October 23, 1920.

(Secret and confidential. Division of Customs, Circular Letter No. —.)

#### Collectors of customs:

Please refer to Division of Customs Circular Letter No. 547, dated September 15, 1920, and to T. D. 38510, dated October 4, 1920, with regard to the examination of baggage and effects of foreign diplomatic officers in the United States, both accompanying them at the time of arrival in the United States and consigned to them for transportation in bond from the port of first arrival to Washington.

You are hereby advised and instructed that the language contained in the circular letter above referred to and in T. D. 38510, providing for the inspection of the effects of such persons enjoying diplomatic privileges and immunities, shall not be construed or interpreted to extend to the opening of the baggage or effects of such diplomatic officials for purposes of inspection, but shall consist only in their scrutiny and the statement of the diplomatic officer as to whether such baggage or effects contains intoxicating liquors, so that the reports required by T. D. 38510 may be furnished to the department. Members of the diplomatic corps shall not be detained or inconvenienced for the purpose of such inspection. On the contrary, their effects shall remain, as heretofore, inviolate, and every proper means shall be afforded them to facilitate their passage through ports of the United States.

With respect to property and effects of diplomatic officers consigned to them at their embassies or legations at Washington for transportation in bond from port of first arrival, instructions shall be sought in each instance from the department at Washington. No shipments of this character shall, in any instance, be permitted transportation in bond without specific direction from the office of the Secretary of the Treasury. In each case where prior instructions have not been received from the department, collectors shall withhold approval of the release of such effects for transportation in bond until they shall have applied for and received the instructions of the department.

D. F. HOUSTON, Secretary.

(Confidential. Division of Customs. Circular letter No. —.)

TREASURY DEPARTMENT,  
Washington, January 23, 1921.

#### Collectors of customs:

Please refer to T. D. 38510, dated October 4, 1920, amending article 376 of the Customs Regulations of 1915, to provide for examination of the baggage or effects of persons entitled to free entry thereunder.

You are hereby advised and instructed, with respect to persons other than those entitled to diplomatic privileges and immunities under section 4065 of the Revised Statutes of the United States, who receive free entry privileges under articles 376 and 377 of the Customs Regulations of 1915, to accept in lieu of examination, in the absence of circumstances which give reason to suspect a violation of the prohibition laws, the assurances of such persons that their baggage or effects do not contain liquor in violation of those laws. If, however, on any ground in an individual case you have reason to suspect that liquors are being imported by persons not entitled to diplomatic privileges and immunities under section 4065 of the Revised Statutes aforesaid, in violation of the law, the baggage or effects of such persons could be opened by you and examined, to establish definitely their contents. A detailed report of every such infraction of the law shall be promptly reported to the Secretary of the Treasury (Division of Customs) for instructions. No further action in any case shall be taken except upon receipt of and pursuant to specific orders from the department.

This instruction relates only to persons receiving free entry under articles 376 and 377 of the Customs Regulations who are subject to the laws of the United States. The procedure with regard to persons who are entitled to diplomatic privileges and immunities under section 4065 of the Revised Statutes aforesaid, which was outlined to you in secret and confidential instruction of October 23, 1920, will continue undisturbed.

D. F. HOUSTON, Secretary.

It appears, Mr. Speaker, from this information that the Treasury Department has the information and I urge that it ought to be furnished to the Congress. As I say, it ought to be furnished to the Congress, the body which has the responsibility of dealing with the question, as has been stated by the President. The Congress is entitled to have the authentic facts with respect to such importations. There is no desire on the part of anyone to begin an offensive campaign of overhauling the personal effects of diplomats, but truck-load shipments of liquor coming into Washington from Baltimore and coming in daylight through the streets of this city can only lead to confusion in the enforcement of the laws. Since I introduced the resolution I have had information, coming to me from official sources, of such incidents, and the statement that they caused great embarrassment to the police authorities of Washington in their endeavor to enforce this law. If one sees a truck load of liquor going through the streets of Washington with cases marked "whisky"—14 cases in one instance that I know of—one does not know whether it belongs to an embassy or not, and one may easily think that the laws are being put aside by everyone. The information ought to come to us as to the extent to which this is being carried on. The furnishing of the information called for by my resolution might cause some embarrassment to those legations which have shown most disregard of the law, but there must have been some embarrassment to those legations because of the publication, widespread, of such articles as the one I have in my hand taken from the New York Times, which article makes charges, mentions the embassies, and gives specific information. The whole question seems to me to be one which ought to be settled and cleaned up by a definite understanding of the situation.

Mr. YOUNG. Mr. Speaker, will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. YOUNG. Is it not an embarrassment to those representatives of countries who do observe the law to have a general understanding that all of the embassies in Washington are receiving large quantities? Is it not possible that full publicity would relieve of embarrassment those who have not abused the courtesies extended them by pinning the abuse on the real offenders?

Mr. CRAMTON. The gentleman from North Dakota states the situation very clearly. In the present situation, while we have the feeling that some of the embassies and legations have abused the courtesy, I think no one wants to be overcritical of any of the legations as to what they shall do at their own tables, but we do feel they ought not to make barrooms of their receptions. [Applause.] They ought not to go about among their friends—and I know of one authentic case given to me by a Member of this House—saying, "I will give you a quart of liquor." That is abuse of the courtesy that we want to end.

Mr. TILLMAN. Will the gentleman yield?

Mr. CRAMTON. I will yield.

Mr. TILLMAN. Did I understand the gentleman to say that he meant no discourtesy toward the Committee on the Judiciary by moving to discharge the committee from further consideration of this resolution?

Mr. CRAMTON. Absolutely no discourtesy is intended.

Mr. TILLMAN. This is a somewhat summary method of getting the resolution before the House. As a matter of fact, I see from the resolution itself that it bears the date of February 3—introduced only 13 days ago. I happen to know the views of Members of the Committee on the Judiciary on this subject. A majority is in sympathy with the resolution. Did the gentleman, may I ask, make any effort to get a hearing before that committee on this resolution?

Mr. CRAMTON. I am glad the gentleman asked that question.

Mr. TILLMAN. I want the country to know all the facts in connection with this matter and to keep the record straight.

Mr. CRAMTON. I had already spoken of this, but many have come in since, and I am glad the gentleman asked the question, because I want it absolutely understood that there is nothing in this question in any way of criticism of that committee. In fact, I might say this: It was because I knew very well what the Judiciary Committee would do if it were brought to their attention, and it seemed it was only a formality, inasmuch as the rules gave the right to call the matter up, and it seemed unnecessary to trouble them, especially as they have a number of very important matters up now.

Mr. TILLMAN. If the gentleman will yield further, the committee has been in session almost continuously since the introduction of the resolution, and has been engaged in discussing bills and measures that antedate the occasion when this measure was introduced, and so far as I know no special effort has been made to press the committee for a report, and certainly the committee has not been guilty of laches in not reporting this resolution.

Mr. CRAMTON. And very important measures are pending.

Mr. TILLMAN. I feel quite sure that the Judiciary Committee would have considered the resolution if the gentleman from Michigan had asked a hearing and requested us to report the same favorably from the House.

Mr. CRAMTON. There is not the slightest question in my mind as to that.

Mr. TILLMAN. I merely wanted to place that fact before the country in a clear and proper way. I am for the resolution, shall vote for its adoption, and I do not see why foreign embassies not guilty of permitting violations of our laws can object to the course we are about to take in this regard.

Mr. CRAMTON. And had I realized that any member of the committee would think that there was any reflection upon the committee, I would have proceeded in another way.

Mr. PARKER of New Jersey. Will the gentleman allow a question?

Mr. CRAMTON. I will.

Mr. PARKER of New Jersey. Is not the real situation not what went to a legation, but whether anything went out, and is it not a very great insult to those legations to ask what went into their cellars?

Mr. CRAMTON. Well, no more can go out than goes in, and a legation that had only a few cases in three years apparently has not abused the courtesy, but if a legation has had 500 or 1,000 cases coming into their cellars, we must assume that some went out somewhere.

Mr. PARKER of New Jersey. Does the gentleman think it is a fair assumption that it did not go into stock? It is not a fair thing to make an assumption against the legation and against foreign powers. It is a question of politeness to assume that everything in a legation they have the right to keep, and a resolution charging them with a crime is going into their private affairs in an outrageous way.

Mr. CRAMTON. The gentleman from North Dakota [Mr. Young] suggested it clearly, the legations that have not abused the courtesy can be protected from the very general publicity that has resulted by giving this information definitely which

will show to the Congress and the country who, if any, have abused the liberty.

Mr. PARKER of New Jersey. Has there been any proof that anything has been taken from the legations?

Mr. CRAMTON. Well, I have proof—I do not want to take too much time—which I have here, and I have the police report of some shipments that have come in—

Mr. PARKER of New Jersey. But it is a question of what goes from the legation.

Mr. CRAMTON. I do not know but what the gentleman might consider that this was going from a legation. The New York Times—

Mr. PARKER of New Jersey. I do not consider the New York Times—

Mr. CRAMTON. Probably the House may. In an article in the New York Times of February 4, 1923, and I will not read the name of any legation or embassy, but there it is stated that a certain embassy was the first to grasp the full strategic importance connected with prohibition as a social element in their influence, and during the arms conference it is said that this certain embassy laid in a whole cellar full of choicest liquors, and that the cellar gave out and had to be restocked, and that at one of the social functions given in honor of the Army and Navy a barroom was established in the embassy, with three bartenders in attendance serving Johnny Walkers and other drinks.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. CRAMTON. I want to cut this short as much as I can.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. CRAMTON. For just a brief question.

Mr. BLANTON. The police records of this District show, as I understand it, that there are leakages of liquor from one of these embassies, in violation of the laws of the country. Does not the gentleman believe that, if that is the case, if some embassy is forgetting its duty, the duty that it owes to this Government to obey the law, does not the gentleman think that the name of the embassy may be shown here, so that the people here may know who is doing it?

Mr. CRAMTON. I do not want to go into details too much to-day.

Mr. DAVIS of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. DAVIS of Tennessee. Is it not a fact that Great Britain keeps tab on intoxicating liquors coming in from foreign countries and fixes an amount that may be received without the payment of duty?

Mr. CRAMTON. Yes; I so understand. It is simply a matter of giving free entry to a certain amount, and they are charged duty on any further amount. I understand that Great Britain exercises control of such importations, and I am sure there is no impropriety in our doing so.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. BRITTEN. It appears that the newspaper article that the gentleman referred to was the funny sheet of the New York Times. [Laughter.] Is not this whole thing a thoroughly ridiculous proposition? [Laughter.]

Mr. CRAMTON. Mr. Speaker, the article in question is from the magazine section of the paper—

Mr. BRITTEN. Accompanied by a lot of funny pictures.

Mr. CRAMTON. The gentleman thinks it is funny, but many of us think that to flaunt before a whole nation an excessive disregard of the Constitution of the United States under the guise of courtesy goes beyond the limits of courtesy. [Applause.]

Mr. Speaker, I yield five minutes to the gentleman from Tennessee [Mr. GARRETT].

The SPEAKER. The gentleman from Tennessee is recognized for five minutes.

Mr. GARRETT of Tennessee. Mr. Speaker, even where the word "liquor" is used it seems to me there is no necessity of losing our intelligence. [Applause.] The way in which this resolution has been handled is another evidence of the blundering incapacity of the majority side, which has been displayed ever since this Congress was assembled. The question of wet or dry is not involved in this resolution. That which is involved in it is the possibility of an insult to foreign countries. If the information asked for by the gentleman from Michigan [Mr. CRAMTON] in his resolution is given, what will we do with it?

Now, here is all there is to it: Under the comity existing between nations importations consigned to embassies are admitted without inquiry. It depends upon their good faith and honor whether they will violate the courtesies and comities.

I do not see what possible good the passage of this resolution can do in behalf of the dry cause. I do think I can see possibilities of friction and trouble and irritation on the part of foreign countries. We can not distinguish between foreign embassies. This resolution, in my opinion, ought to go to the table, but I am on the minority side. The majority party is responsible for the disposition that may be made of it. It seems to me that some responsible authority on the Republican side ought now to rise to the occasion and try to cure the blunder that they have already made. [Applause.]

Mr. CRAMTON. Mr. Speaker, I have only to say that the reading of the statement from the Treasury Department, which I put in the Record, will show that since the adoption of prohibition the Treasury Department has insisted upon examination to determine whether or not the goods coming in for these embassies contain intoxicating liquors.

Mr. POU. Mr. Speaker, will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. POU. If this resolution is adopted and the Secretary of the Treasury complies with the request, what is it proposed to do with the information?

Mr. CRAMTON. The Congress will have it for its consideration, and upon the nature of the information will depend the action that Congress will conclude ought to be taken. There are certain remedies to correct the situation. The Attorney General says we can not arrest and can not seize, but there is one remedy that I am now seeking to apply, and that is the remedy of publicity. [Applause.] And following that there are other remedies. I know that this situation can be cured if we get the facts before the country.

Mr. Speaker, I move the previous question.

The SPEAKER. The gentleman from Michigan moves the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the Speaker announced that the "ayes" seemed to have it.

Mr. BRITTEN. Mr. Speaker, I demand the yeas and nays.

Mr. WRIGHT. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The yeas and nays are demanded.

The yeas and nays were ordered.

The SPEAKER. As many as are in favor of agreeing to the resolution will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 189, nays 113, not voting 125, as follows:

Abernethy	Dowell	Lankford	Shelton
Almon	Driver	Larsen, Ga.	Shreve
Anderson	Elliott	Lawrence	Sinclair
Andrews, Nebr.	Ellis	Layton	Sinnott
Anthony	Evans	Lazaro	Smith, Idaho
Appleby	Fairchild	Leatherwood	Smithwick
Arentz	Fields	Lineberger	Speaks
Aswell	Fish	Little	Sprull
Atkeson	Fisher	Logan	Stedman
Bankhead	Fitzgerald	Lowrey	Steenerson
Barbour	Foster	Luce	Stevenson
Beedy	Frear	Lyon	Strong, Kans.
Begg	Fuller	McCormick	Summers, Tex.
Bell	Fulmer	McKenzie	Swank
Benham	Funk	McLaughlin, Mich.	Sweet
Bixler	Gahn	MacLafferty	Swing
Black	Garrett, Tex.	Mapes	Taylor, Tenn.
Blakeney	Gensman	Michener	Temple
Bland, Va.	Gilbert	Miller	Thompson
Blanton	Goldsborough	Moore, Ohio	Tillman
Bowling	Graham, Ill.	Morgan	Timberlake
Box	Griest	Mott	Tincher
Briggs	Hammer	Murphy	Towner
Brown, Tenn.	Hardy, Colo.	Nelson, Me.	Turner
Browne, Wis.	Haugen	Nelson, J. M.	Tyson
Bulwinkle	Hawley	Newton, Minn.	Underhill
Byrnes, Tenn.	Hayden	Norton	Upshaw
Cantrill	Henry	Oldfield	Valle
Carter	Hersey	Oliver	Walters
Chalmers	Hoch	Perkins	Wason
Clague	Hooker	Purnell	Weaver
Clouse	Huck	Quin	White, Kans.
Cole, Ohio	Huddleston	Rainey, Ala.	White, Me.
Collier	James	Raker	Williams, Tex.
Collins	Jeffers, Ala.	Rankin	Williamson
Colton	Jones, Tex.	Reece	Wilson
Connally, Tex.	Kearns	Reed, N. Y.	Wingo
Cooper Ohio	Kelley, Mich.	Reed, W. Va.	Wise
Cooper, Wis.	Kelly, Pa.	Rhodes	Wood, Ind.
Coughlin	Kendall	Ricketts	Woodruff
Cramton	Ketcham	Roach	Woods, Va.
Crisp	Kincheloe	Robson	Wright
Crowthor	Kissel	Sanders, Ind.	Wyant
Dallinger	Kline, Pa.	Sanders, Tex.	Yates
Davis, Tenn.	Knutson	Sandlin	Young
Denison	Kopp	Scott, Tenn.	
Dickinson	Kraus	Sears	
Doughton	Lanham	Shaw	

NAYS—113.

Ackerman	Frothingham	Lee, Ga.	Rainey, Ill.
Andrew, Mass.	Garrett, Tenn.	Lehbach	Ramseyer
Bacharach	Gerner	Linthicum	Ransley
Beck	Gifford	London	Riordan
Britten	Goodykoontz	McArthur	Robertson
Buchanan	Gorman	McDuffie	Rogers
Burke	Green, Iowa	McFadden	Rosenbloom
Butler	Greene, Mass.	McPherson	Rouse
Byrnes, S. C.	Hadley	MacGregor	Rucker
Campbell, Kans.	Hardy, Tex.	Magee	Sabath
Campbell, Pa.	Hickey	Maloney	Snell
Cannon	Hicks	Martin	Snyder
Chindblom	Hill	Merritt	Stafford
Clark, Fla.	Hogan	Mondell	Stephens
Clarke, N. Y.	Hull	Montague	Ten Eyck
Cole, Iowa	Humphrey, Nebr.	Moore, Va.	Tilson
Copley	Humphreys, Miss.	Moore, Ind.	Tinkham
Crago	Husted	Newton, Mo.	Treadway
Dale	Jefferis, Nebr.	O'Connor	Tucker
Darrow	Johnson, Wash.	Ogden	Vinson
Deal	Jones, Pa.	Olpp	Volgt
Dominick	Kirkpatrick	Paige	Ward, N. C.
Drewry	Klecza	Parker, N. J.	Watson
Dunbar	Kline, N. Y.	Parker, N. Y.	Webster
Dunn	Kunz	Patterson, Mo.	Winslow
Faust	Lampert	Patterson, N. J.	Wurzbach
Favrot	Langley	Porter	
Fenn	Larson, Minn.	Pou	
Freeman	Lea, Calif.	Radcliffe	

NOT VOTING—125.

Ansorge	Fairfield	Knight	Rossdale
Barkley	Fess	Kreider	Ryan
Bird	Focht	Lee, N. Y.	Sanders, N. Y.
Bland, Ind.	Fordney	Longworth	Schall
Boies	Free	Lubring	Scott, Mich.
Bond	French	McClintic	Siegel
Bowers	Gallivan	McLaughlin, Nebr.	Sisson
Brand	Garner	McLaughlin, Pa.	Slemp
Brennan	Glynn	McSwain	Smith, Mich.
Brooks, Ill.	Gould	Madden	Steagall
Brooks, Pa.	Graham, Pa.	Mansfield	Stines
Burdick	Greene, Vt.	Mead	Stoll
Burtness	Griffin	Michaelson	Strong, Pa.
Burton	Hawes	Mills	Sullivan
Cable	Hays	Moore, Ill.	Summers, Wash.
Carew	Herrick	Morin	Tague
Chandler, N. Y.	Himes	Mudd	Taylor, Ark.
Chandler, Okla.	Hudspeth	Nelson, A. P.	Taylor, Colo.
Christopherson	Hukriede	Nolan	Taylor, N. J.
Classon	Hutchinson	O'Brien	Thomas
Cockran	Ireland	Overstreet	Thorpe
Codd	Jacoway	Park, Ga.	Vestal
Connolly, Pa.	Johnson, Ky.	Parks, Ark.	Volk
Cullen	Johnson, Miss.	Paul	Volstead
Curry	Johnson, S. Dak.	Perlman	Ward, N. Y.
Davis, Minn.	Kahn	Petersen	Wheeler
Dempsey	Keller	Pringley	Williams, Ill.
Drane	Kennedy	Rayburn	Woodyard
Dupré	Kiess	Reber	Zihlman
Dyer	Kindred	Riddick	
Echols	King	Rodenberg	
Edmonds	Kitchin	Rose	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

- Mr. Bird (for) with Mr. Graham of Pennsylvania (against).
- Mr. Johnson of Mississippi (for) with Mr. Cullen (against).
- Mr. Hutchinson (for) with Mr. O'Brien (against).
- Mr. Fess (for) with Mr. Connally of Pennsylvania (against).
- Mr. McClintic (for) with Mr. Gallivan (against).
- Mr. Parks of Arkansas (for) with Mr. Taylor of New Jersey (against).
- Mr. Burtness (for) with Mr. Kindred (against).
- Mr. Summers of Washington (for) with Mr. Carew (against).
- Mr. Brand of Georgia (for) with Mr. Tague (against).
- Mr. Park of Georgia (for) with Mr. Sullivan (against).
- Mr. Pringley (for) with Mr. Hawes (against).
- Mr. Himes (for) with Mr. Griffin (against).
- Mr. Taylor of Colorado (for) with Mr. Mead (against).

Until further notice:  
 Mr. Davis of Minnesota with Mr. Barkley.  
 Mr. Morin with Mr. Sisson.  
 Mr. Williams of Illinois with Mr. Cockran.  
 Mr. Free with Mr. Steagall.  
 Mr. Burton with Mr. Dupré.  
 Mr. Edmonds with Mr. Johnson of Kentucky.  
 Mr. Brennan with Mr. Overstreet.  
 Mr. Johnson of South Dakota with Mr. Rayburn.  
 Mr. Burdick with Mr. Drane.  
 Mr. Keller with Mr. Stoll.  
 Mr. Kahn with Mr. Kitchin.  
 Mr. Perlman with Mr. Mansfield.  
 Mr. Michaelson with Mr. Thomas.  
 Mr. Strong of Pennsylvania with Mr. Garner.  
 Mr. Mudd with Mr. Hudspeth.  
 Mr. Kiess with Mr. McSwain.

The result of the vote was announced as above recorded. On motion of Mr. CRAMTON, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

## WAR RISK INSURANCE.

Mr. WINSLOW. Mr. Speaker, I ask unanimous consent that the bill (H. R. 10003) to further amend and modify the war risk insurance act, with Senate amendments, be taken from the Speaker's table and that the House disagree to the Senate amendments and request a conference.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to take from the Speaker's table H. R. 10003, disagree to the Senate amendments, and ask for a conference. The Clerk will report the bill by title.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection, and the Speaker appointed as conferees on the part of the House Mr. SWEET, Mr. GRAHAM of Illinois, and Mr. RAYBURN.

## COAL.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to address the House for three minutes. Is there objection?

There was no objection.

Mr. TREADWAY. Mr. Speaker, the fuel situation in western Massachusetts has reached a very acute stage. I have stated previously on the floor of the House that 60 per cent of anthracite production will not make our section of the country comfortable at this period of the year.

I have asked the fuel authorities for an increase of that quantity, but in fairness to all sections I think very likely such a request as that can not be granted.

A new development seems to have arisen within the last few days that I think is worthy of the attention of Congress. I am informed that the Lehigh Coal & Navigation Co., with headquarters in Lansford, Pa., has practically ceased operations owing to a local condition that has brought about a strike. I know nothing as to the merits of that strike, but when production ceases of 300 or 400 cars per day—13,000 or 14,000 tons—and the country is deprived of that much coal, particularly as a good deal of that product goes into New England, we ought to know what has brought about that strike condition and it ought not to be permitted. We ought not to allow either the employer or employee to prevent production of coal at this very critical period.

It seems to me that we must take up another factor—that is, we must urge the Interstate Commerce Commission to establish a priority order for fuel for the present emergency. A priority fuel order ought at once, in my opinion, to be advocated and issued by the Interstate Commerce Commission. They act slowly. All Government departments function slowly, but I think this is a time when red tape should be cut right clean in two and that they ought to tear open the bundle and give us fuel in New England. If there is no authority in the Interstate Commerce Commission and if they will so inform us, I myself think that authority will be obtained here so quickly that it will take their breath away. I strongly urge the issuance of an order giving coal the right of way over all freight except perishable foodstuffs. If coal reaches terminals it should be immediately distributed to our communities in preference to all other classes of freight, and if necessary precede passenger service.

Mr. WINSLOW. Will the gentleman yield for a question, Mr. Speaker?

Mr. TREADWAY. I will if I have the time.

Mr. WINSLOW. I should like to ask the gentleman if he has consulted the Interstate Commerce Commission as to what they are doing?

Mr. TREADWAY. I have not.

Mr. WINSLOW. Then on what does the gentleman base his judgment and argument?

Mr. SNYDER. I should like to ask the gentleman if New England has any patent on the difficulties he talked about?

Mr. TREADWAY. No; I think the same difficulty applies to other sections, including northern New York.

Mr. SNYDER. All those difficulties apply just as much to northern New York as to New England.

The SPEAKER. The time of the gentleman has expired.

Mr. SEARS. I ask that the gentleman from Massachusetts be allowed two minutes more.

The SPEAKER. The gentleman has yielded the floor.

Mr. SEARS. I ask unanimous consent to address the House for three minutes.

The SPEAKER. The gentleman from Florida asks unanimous consent to address the House for three minutes. Is there objection?

There was no objection.

Mr. SEARS. Mr. Speaker, I was deeply interested in what the gentleman from Massachusetts [Mr. TREADWAY] stated just a few minutes ago. I endeavored to get the gentleman's time extended in order that I might ask him one or two questions. Fortunately my State is not interested in coal, but that does not prevent me from being interested in the good people of Massachusetts and those States that do need coal. Some days ago I noticed, I think in a Boston paper, a statement that something like 1,900 carloads of coal were in the yards just outside of Boston, but that the railroads would not move those cars of coal, and therefore an apparent shortage of coal existed, when there was in fact no shortage of coal. This article also stated that they were shipping coal over these same railroads into Canada and selling that coal at \$11 a ton, whereas in Boston they were charging \$16, \$17, and \$18 a ton.

I desire to congratulate my colleague from Massachusetts [Mr. TREADWAY] for calling the attention of the House to this question. I would like to know of the gentleman from Massachusetts if he has investigated those conditions, and if the photographs that I saw were correct?

Mr. TREADWAY. I can only say to the gentleman from Florida that I saw a statement issued by the fuel distributor of Massachusetts absolutely contradicting the accuracy of the sensational stories to which the gentleman refers. I saw those pictures. The account given by the fuel administrator of Massachusetts was that there were as many cars going out of the terminals daily as into them. So far as the shipments going into Canada are concerned, I understand that there was very marked exaggeration also as to that. I am stating only what information has come to me indirectly. I have no positive answer to the gentleman's question.

Mr. WINSLOW. Will the gentleman yield?

Mr. SEARS. I have only three minutes, but I yield to the gentleman.

Mr. WINSLOW. The trouble in New England is this—we may as well be frank about it. There is coal enough within reach of New England, if there was the motive power on the New England roads to draw it; and there is also the difficulty of overcoming the ice and snow which the Almighty has piled up there and laid an embargo against New England thereby.

Mr. SEARS. That is one blessing I have by living in Florida. I notice in traveling from here to Florida that all along the line, looking out of the window, you will see car after car of coal not being unloaded, not being moved. I believe that the coal should be moved and the people given relief. There can be no excuse for coal selling at \$18 a ton, and somebody is to blame for these conditions. I want to say I do not think it just to place the blame on God. Somebody is to blame, as I have just stated, and I think it is time we should find out who it is.

Much talk has been engaged in, but this does not give relief to the thousands and thousands who are cold and, perhaps, in many cases freezing, and who are not able to pay these exorbitant prices, and I think the time has come when you should take such action as will afford them some relief.

## CONSIDERATION OF THE PRIVATE CALENDAR.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that on Monday and Tuesday next it may be in order at any time after 5 o'clock in the afternoon to move that the House stand in recess until 8 o'clock for the consideration of bills on the Private Calendar unobjected to, the session to last not later than 10.30 p. m.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that on Monday and Tuesday next, at any time after 5 o'clock p. m., it may be in order to move that the House stand in recess until 8 o'clock for the consideration of bills unobjected to on the Private Calendar, the session to last not later than 10.30. Is there objection?

Mr. MONTAGUE. Reserving the right to object, may I make an inquiry of the gentleman. Is it the gentleman's purpose to begin on the Private Calendar where we left off? If not, if you begin at the beginning, it would give some bills a double opportunity.

Mr. MONDELL. I am glad the gentleman from Virginia mentioned it. I think we should begin on the Private Calendar at the point where we suspended business the last time.

Mr. SNELL. Has any arrangement been made, or has the gentleman any plan about taking up bills on the Private Calendar that are objected to?

Mr. MONDELL. I am very much in hopes that after we have gone through the calendar we may have an opportunity to do that, but I think first we should go through the calendar and take up the bills unobjected to.

Mr. SNELL. But it is the intention of the gentleman to give the other bills a chance?

Mr. MONDELL. We hope to do that.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

NAVAL OMNIBUS BILL.

Mr. BUTLER. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 4137.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. TILSON in the chair.

The Clerk, continuing the reading of the bill, read as follows:  
TO INCREASE THE AUTHORIZED COST OF CERTAIN VESSELS NOW BUILDING FOR THE NAVY.

SEC. 7. That the limits of cost of the vessels heretofore authorized and herein below enumerated are increased as follows: Battleship *Colorado*, from \$17,000,000 to \$17,600,000; scout cruisers Nos. 9 and 10, from \$8,250,000 to \$8,400,000 each; and destroyer tender No. 3, from \$3,400,000 to \$4,500,000.

Mr. HULL. Mr. Chairman, I want to ask the chairman of the committee where these ships are being constructed. Are they under contract?

Mr. BUTLER. I will give the gentleman a history of it. The battleship *Colorado* is being built by the New York Shipbuilding Co. on a cost-plus contract. The scout cruisers 9 and 10 are being built at the Cramp shipyards in Philadelphia under contract. The destroyer tender, which is a large boat, is being built at the Government navy yard at Philadelphia.

Mr. HULL. If you are building the ships under contract, then you increase the cost; do not you raise the contract price?

Mr. BUTLER. That is the reason we are here.

Mr. HULL. You do increase the contract price?

Mr. BUTLER. During the war period they were changed because it was found impossible to finish the boats on the price made in the original act or in subsequent acts. I know nothing more of it than the facts given to us by the Secretary of the Navy and those who attended him at the hearings—that it was impossible to finish the ships—and they gave to us the reasons why it was necessary to ask for an increase of cost.

Mr. HULL. Is it usual to raise the contract price when the contractors find that they can not finish a boat under the original contract—do you raise the contract price so that they can?

Mr. VINSON. If the gentleman will permit me I will state that when the contracts were originally awarded, in 1917, it cost to construct the *Colorado* \$13,800,000. In July, 1917, Secretary Daniels changed the form of the original contract to cost plus 10 per cent. If the ship had been finished under that contract it would have cost \$1,700,000 to finish it. But the Navy Department in 1920 changed the form of the contract from cost plus 10 per cent to cost plus fixed fee, and the fixed fee was \$1,350,000, being a saving of \$410,000 on the construction of the *Colorado* by the change of the contract.

Mr. HULL. The ships I was referring to were the two ships which the chairman said were under contract.

Mr. VINSON. They are all under the same kind of a contract—all are being built under the cost plus.

Mr. BUTLER. We recognize that as a contract and I answered the gentleman correctly, there are different terms in different contracts. These contracts were changed in character. It was found impossible to complete them during the war period for the prices we had been putting upon them. Therefore they were changed by Secretary Daniels as to the cost-plus, and we find ourselves with the limitation on them and they can not complete them without additional money.

Mr. VINSON. By changing the contract from a cost-plus 10 per cent to a cost-plus fixed fee there has been a saving of \$416,000 on the *Colorado* and the same percentage of saving in the scout cruisers and the destroyer tender.

Mr. BUTLER. This was made necessary by the abandonment of the 1916 program.

It was contemplated that these appropriations would be made, but the Appropriations Committee has no authority to make them, to complete these vessels, until Congress legislates.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HULL. Mr. Chairman, I ask unanimous consent to proceed for three minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. HULL. Yes.

Mr. BRITTEN. This provision is not an unusual provision. We have been doing this very thing for many years, particularly in connection with cost-plus and fixed-fee contracts.

The fixed-fee contract provides an outside marginal profit which can be made by the contractor irrespective of the actual construction cost of the ship. This does not give him any additional profits. It merely provides for the increased cost of the vessel, which increased cost has been brought about by conditions coming out of the war. Materials are higher, labor is higher, and while they enter into the cost of the construction of the ship, the contractor himself does not benefit thereby because his margin of profit is fixed by contract. He has a fixed-fee contract.

Mr. HICKS. And this increased cost exceeds the authorization of the Congress?

Mr. BRITTEN. Yes.

Mr. HICKS. Therefore we have to have the increased authorization to cover it.

Mr. MCKENZIE. Mr. Chairman, will the gentleman from Iowa yield to me until I ask my colleague a question?

Mr. HULL. Certainly.

Mr. MCKENZIE. I am glad to know, if the gentleman will permit the statement, that even in the Navy Department they are awakening to the fact that the cost-plus system which resulted in the robbery of the people of this country of hundreds of millions of dollars is an abomination, and that the Navy Department is trying in some way to curtail that by having a fixed fee for the construction. The gentleman is on the Committee on Naval Affairs. Is there any provision in the present contract for a bonus or saving, or is the old system of wide-open doors still maintained, and that regardless of how much it may cost the Government, the contractor gets his fee nevertheless?

Mr. BRITTEN. The gentleman is entirely correct about the damage and waste caused by the cost-plus contracts.

The Navy Department has no cost-plus contracts on its books to-day, if I am correctly informed. These fixed-fee contracts provide specifically for the fee, for the margin of profit that can be made by the contractor, and no more, so that this increased cost appropriation goes into the construction of the ships and does not go to the contractor.

Mr. HICKS. Will the gentleman permit me to answer a part of the question of the gentleman from Illinois?

Mr. BRITTEN. The Navy Department, as usual, takes the lead in constructive economical matters of this kind.

Mr. MCKENZIE. I am glad to hear the statement, but the question I am asking my colleague is whether or not, regardless of the fixed fee which the contractor is to receive, there are any safeguards in the contract to protect the Government against extravagance on the part of the contractor, or will we be asked every time Congress convenes to make an additional appropriation to complete certain work.

Mr. BRITTEN. The contracts are an accumulation of safeguards, such as the Navy Department always has.

Mr. HICKS. Mr. Chairman, will the gentleman yield?

Mr. HULL. Yes.

Mr. HICKS. I want to answer my friend from Illinois, who is usually up to date, but being on the Military Affairs Committee a little bit behind the Naval Committee. In the original contract for these ships there was a provision that if the contractors came below a certain price there would be a bonus to the Government.

Mr. MCKENZIE. Can the gentleman tell us whether they did come below that?

Mr. HICKS. No; the war came on, and everything went up. The gentleman is aware of the fact that we had a war?

Mr. MCKENZIE. Yes; I heard about it.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. HULL. Yes.

Mr. BUTLER. The explanation for the additional cost is given here in the report, and so that we may know just exactly what it is I read from the report:

During the last year progress of construction on vessels building for the Navy has been much reduced by reason of small appropriations available for work; and while the direct labor charges have been reduced, the indirect expenses have not gone down in the same ratio. Consequently the total costs of the work will be materially increased over what they would have been had larger appropriations been made, thereby permitting more rapid progress possible.

That is the explanation that was made. These ships will be completed for the figure named; and we ask the committee to authorize it to be done, for that is the last of the 1916 program.

Mr. HULL. Mr. Chairman, it is interesting to know that the Navy has made cost-plus contracts on the basis of 10 per cent profits; and I am glad to find that they have reduced it to 6 per cent, and that they hope in the future not to make any more cost-plus contracts. I will inform the gentleman from New York [Mr. Hicks] that the Military Committee may be a little slow, but they took this matter up with the War

Department immediately after the war, and so far as I know the War Department has not made any cost-plus contracts since that time, and we hope they never will.

Mr. HICKS. Neither has the Navy.

Mr. HULL. Oh, yes; you are operating to-day on a cost-plus contract.

Mr. HICKS. Oh, no; this is a fixed-fee contract.

Mr. HULL. One of these contracts, it was said, is on a cost-plus basis.

Mr. HICKS. Oh, no. Cost plus, but with a fixed fee.

Mr. VINSON. The gentleman is in error. All of these contracts are cost-plus, fixed-fee contracts. The fee on the construction of the *Colorado* was fixed at \$1,350,000, and the fee on the other ships is fixed at a certain sum.

Mr. HULL. I am glad to know that. I misunderstood the chairman. I thought he stated there was one of these contracts still remaining on the cost-plus basis. I hope we never have another contract of that kind in either the War Department or the Navy Department.

Mr. HICKS. I agree with the gentleman.

Mr. HULL. It should never have happened.

Mr. HICKS. I may say to my friend from Iowa that the only reason it did happen was because that was the only way that we could get these ships built.

Mr. HULL. I know it was the only way, but it was due to the fact that the Navy had made no plans, and the Army was just as guilty.

Mr. HICKS. The Navy had made plans, but you could not get the labor or material. We had to pay these big prices in order to get these ships built.

Mr. HULL. I hope it will never occur again.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I maintain that we could have obtained labor and material and could have done this work without cost-plus contracts if we had had a little backbone. If we can take men out of their homes, take them out of their banks, out of their offices, out of their places of business, and send them to France to fight, why can not we take their brothers during war and put them in the shipyards and tell them to build ships? Can the gentleman answer that question?

Mr. HICKS. If the gentleman will permit, the gentleman's party was in power at the time, and they did not bring forth a resolution to conscript labor.

Mr. BLANTON. I have been making a one-man fight here for six years on that proposition.

Mr. HICKS. Will the gentleman permit just further?

Mr. BLANTON. I have had the gentleman from Iowa [Mr. HULL] and his collaborators against me.

Mr. HICKS. I want to say to the gentleman that while I know that labor was patriotic, yet I feel that when we called one man for the battle front we should have called his brother for the factory making the munitions to win the war. When conflict comes we stand on the same plane, and all should bear the burdens equally, and so I say that I feel we made a mistake in the war not to have called labor for service in the same way we called soldiers for service.

Mr. BLANTON. And the wisest thing that the gentleman's President has said since he has been in the White House was along that very line. If we have the right to take men and make them fight, we have the right to take them during war to build battleships.

Mr. SANDERS of Indiana. Will the gentleman yield?

Mr. BLANTON. I will.

Mr. SANDERS of Indiana. Notwithstanding the very high authority of the gentleman from Texas—

Mr. BLANTON. My authority is the President of the United States. Maybe the gentleman helped to put him in the White House.

Mr. SANDERS of Indiana. I would help to put him in again.

Mr. BLANTON. The gentleman would have a hard time doing it.

Mr. SANDERS of Indiana. No matter what the authority is on this proposition the gentleman from Texas and the gentleman from New York or anybody else might just as well know that when they talk about conscripting labor and wealth in time of war you do not consider the economic phase of it. If you undertake it, it will be a failure—

Mr. BLANTON. We should have been thinking only about winning the war and forgetting about these ridiculous union contentions that crept into the door of this Chamber. All the time we can not do what we want to do. I want to ask the gentleman this question: Does the gentleman differ with the Executive of his party?

Mr. SANDERS of Indiana. On this proposition.

Mr. BLANTON. On such propositions?

Mr. SANDERS of Indiana. Well, I am talking about this proposition.

Mr. BLANTON. I am sorry he is not in accord with the President of the United States on one of the biggest questions that now confronts the Nation.

Mr. SANDERS of Indiana. I can say to the distinguished gentleman from Texas—

Mr. BLANTON. I am in accord with the President.

Mr. SANDERS of Indiana. The proposition of socialism will not work in war time any more than at any other time, and these economical matters have to take their economic course in war time and in peace time.

Mr. BLANTON. May I ask the gentleman, then, what is the difference during war of taking a young man from Indiana and sending him to France and having him build roads over there for \$33 a month and putting him in a shipyard and telling him to build ships in war time?

Mr. SANDERS of Indiana. There is not a particle of difference, so far as the abstract justice is concerned, but, as a matter of fact, the proposition will not work; that is the reason.

Mr. BLANTON. The gentleman would rather give contracts at 10 per cent plus than to do what we should do in time of war?

Mr. SANDERS of Indiana. No; the gentleman's party did that; not my party. I do not believe in contracts plus.

Mr. BLANTON. Unfortunately for the country, my party was then out of line on that question, just like the gentleman is now out of line with his party and the Chief Executive.

The CHAIRMAN. The time of the gentleman has expired. Without objection, the pro forma amendment will be withdrawn. There was no objection.

The Clerk read as follows:

REPAIRS AND CHANGES TO CAPITAL SHIPS.

Sec. 8. That the restrictions contained in the acts of March 2, 1907, and August 29, 1916, as to the amount that may be expended for repairs and changes to capital ships shall not apply to such sums as the Congress may from time to time appropriate for modernization, by increasing the elevation and range of turret guns, of the following-named battleships: *Florida, Utah, Arkansas, Wyoming, Pennsylvania, Arizona, Oklahoma, Nevada, New York, Texas, Mississippi, Idaho, and New Mexico: Provided*, That the cost of such increase in the elevation and range of such turret guns shall not exceed the sum of \$6,500,000, to be immediately available and to remain available until expended.

Mr. BUTLER. Mr. Chairman, I have an amendment which I desire to offer.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BUTLER from the committee: Page 7, lines 12 to 23, inclusive, strike out the paragraph and insert in lieu thereof the following:

"Sec. 8. Subject to the terms of the treaty providing for the limitation of naval armament concluded on February 6, 1922, and published in Senate Document No. 126, of the Sixty-seventh Congress, second session, the Secretary of the Navy is authorized to incur obligations to the extent of \$6,500,000, to be paid as appropriations may from time to time be made for such materials and work as may be necessary for increasing the elevation and range for the turret guns of the following-named battleships: *Florida, Utah, Arkansas, Wyoming, Pennsylvania, Arizona, Oklahoma, Nevada, New York, Texas, Mississippi, Idaho, and New Mexico.*"

Mr. BUTLER. Mr. Chairman, after consultation with my colleagues and Members of the House I have offered this amendment, and I hope that the House will be willing to accept it. It seems there is some doubt in the minds of some Members whether or not we were in any way violating the terms of the treaty that we made authorizing the Navy Department to improve the ships which we are now allowed to maintain.

Therefore the amendment, as is indicated in the very first line, becomes subject to the terms of this treaty, and if this work would be in violation of the treaty then the money can not be used. We were assured by the Secretary of the Navy and by the Assistant Secretary of the Navy that this work that was to be put upon these ships would not be in violation of the terms of the treaty and not even in violation of its spirit. Permit me to say for the information of my colleagues—and I myself am included with them, of course—that we are all extremely anxious that this treaty shall be kept, not only in letter but also in spirit. Further, we inquired particularly and with as much diligence as we could whether or not this would in any way violate the terms of the treaty. Being assured that it would not and wanting to make it doubly sure, for that reason I offer this amendment which I ask the House to adopt.

By the terms of the treaty we are authorized to keep 18 large ships in commission. Five of the ships are not yet completed and three are completed, and those will not need remodeling. Thirteen will need to be remodeled. It is to cover

the work on these 13 that this legislation is proposed. The 13 ships are all named in the amendment, and the amount to be used on each ship is \$500,000. This money can not be used unless authorized in this way, because of the statute which provides that not more than \$300,000 shall be used in repairing a ship of war without express authority from Congress. Heretofore the department used large sums of money in the repair of ships, which Congress justly made complaint about, and that complaint was met by the enactment of the act of 1907 and another act in 1916, raising the limit to \$300,000. Each of these ships will perhaps cost to repair the sum of \$500,000.

You naturally ask, What are they going to do? They are going to change and elevate the guns, so that they may have the same distance and the same range for the projectile on these ships that our neighbors have on their ships. With the present elevation on these older boats we have a range of only 22,000 yards. Is not that right?

Mr. HICKS. That is right.

Mr. BUTLER. Now, they are to raise them 30 degrees. We will then have a range of 32,000 yards, and that is the range that our neighbors have upon their guns. We ask only, not being permitted to buy new machines, authority from this Congress to keep the ones we have fully and completely up to date. This will do it.

Now, perhaps some time later we may be called upon to give consideration to further requests that the department may have for the further modernization of these ships. We declined to go into further matters at this particular time, because the time was pressing. But as to these ships that we are seeking to remodel, you will find nothing in the hearings as to the method and manner by which they propose to do the work.

The gentleman will understand that in this kind of business there is more or less secrecy, and necessarily so; and while as to the elevation of these guns much was disclosed to us, yet much of it was not taken down, because Americans were talking to Americans. But they gave us the plans by which it was proposed that this work should be done, and we unanimously thought it the best thing to do. We could not stand for anything else. If any occasion might arise hereafter when these ships were to be used, we could not take the responsibility of placing in the hands of Americans ships having a range of only 22,000 yards when the other fleets would have a range of 32,000 yards.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. Yes.

Mr. BLANTON. Will our distinguished friend from Pennsylvania, who is in a better position to tell us than anybody else, explain what has become of this so-called four-power pact?

Mr. BRITTEN. That has nothing to do with it.

Mr. BLANTON. It involves these ships. Why does it not have anything to do with the question?

Mr. BUTLER. My friend from Texas and myself do not always agree, but we at least arrive at a proper and safe place to stand; and I will say to him that I am unable to give the information. It was the opinion of the officials of the Navy Department, who spoke candidly with us, that there was something before us other than death and bloodshed. By reason of their candor alone a most excellent and friendly relationship was, they told us, growing up between Japan and America, and we were assured of that, and it gave us hope; it gave us hope that there was something before us beyond death and bloodshed.

Mr. BLANTON. A lot of things were going on that led up to that compact, and a lot of splendid arches were erected here, with electric lights and other attractive features, and we were hopeful that something would come of it.

Mr. STAFFORD. Will my colleague yield to me?

Mr. BUTLER. I will yield in a minute.

We were assured by these men, who ought to know, that perhaps one of the features of this whole treaty that was agreed to by the three powers, one of the encouraging features of it, is what I have already given to you, namely, the confidence that has grown up between America and Japan, and we asked them whether or not Japan and England were keeping that treaty. My recollection is that they said they were.

Mr. BLANTON. The confidence that makes Japan build more battleships and elevate their turrets, and that which makes us elevate ours, so that we can extend the range of our guns by 10,000 yards—

Mr. BUTLER. Wait a minute; they had newer ships, my friend, and they had elevated their guns before we made this treaty. We are entitled to put up our guns on the ships we keep to the same elevation, and we hope that will not be a violation of our treaty. We threw away 12 ships, and if we had

those ships, we would not ask that these guns be elevated. These are the oldest ships we have, and we want to try to modernize them in order that they may be put on an equality with the vessels of other nations that participated in the Washington conference.

Mr. VINSON. The gentleman stated that if we had had those 12 ships we would not have asked for the improvement of these. The gentleman and I are in agreement. We did not make this treaty. But if I had had my way about it, I would have kept the new ships and thrown away the old ones. But then we would not have accomplished the same purpose.

Mr. BUTLER. I agree with my friend as to that.

And the administration was wise, and these men who went into this treaty making were wise when they asked us to continue this program until they might meet with their neighbors to see what could be done. When they presented their proposition we were building 16 ships. We threw away all those fine ships we were building. It was an expensive proposition, but we know that there is good coming out of it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. Will the gentleman yield?

Mr. BUTLER. I ask unanimous consent for one minute in order that I may answer the question of the gentleman from Wisconsin.

Mr. VINSON. I ask unanimous consent that the gentleman may have three minutes.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that the time of the gentleman from Pennsylvania be extended three minutes. Is there objection?

There was no objection.

Mr. STAFFORD. Mr. Chairman, if the gentleman will permit, I merely wish to supplement what the gentleman from Pennsylvania has said as to the effect of the four-power pact, so far as its applicability to Japan and this country is concerned. Our Government is observing religiously the spirit of that pact, and I believe the Empire of Japan is doing the same thing. I wish to call the attention of the gentleman and of the House to the fact that by virtue of that pact our Government has withdrawn more than one-half of the army of occupation in the Philippines. Where before, prior to that pact, we had more than 7,000 men now we have only the small number of 3,000. The policy of both Governments is acceptable to both as the pact is being carried out.

Mr. BUTLER. That is true; and I will say to my friend that his view of it is in entire accord with those who are in higher authority than either of us.

Mr. VINSON. Mr. Chairman, I move to strike out the last word. I agree in toto with what has been said by the distinguished chairman of the Committee on Naval Affairs with reference to this section. We find ourselves in a position where it is absolutely imperative that we modernize our ships in the manner that the Navy Department desires. It is essential that the elevation of the turrets of the 13 ships be raised from 15 degrees to 30 degrees. It is essential that we keep at all times the ships of the American Navy on an equal parity with the ships of Great Britain, Japan, or any other nation. But at the same time, Mr. Chairman, that does not prohibit me from making some observations as to how we got into the position which causes us now to make this appropriation. This appropriation is of importance, and I trust that no Member of this House will find occasion to vote against it, because by all means these ships should be put at once upon an equality with those of Japan or Great Britain. Ordinarily it has been my policy whenever I made a bad trade not to have anything to say about it, and I would still adhere to that view had not my distinguished and lovable friend from New York [Mr. HICKS] put in the RECORD yesterday evening his views of what was accomplished by the Conference on the Limitation of Armament. The gentleman from New York [Mr. HICKS] stated that one of the great things that was accomplished by that conference was that competitive building between nations was eliminated, that in the future there would be no more competitive building of navies between Japan and the United States and Great Britain. That statement is true only to a partial degree. The only thing that the conference accomplished with reference to competitive building related exclusively to capital ships and not to other phases of the Navy. Right to-day we are building 10 cruisers lighter than battle cruisers, Japan is building 25, and England is building 48. To-day we are building submarines and the other nations are building submarines, and I do not want the idea to prevail in the House and in the country that the conference about which we have heard so much has prohibited competition throughout the navies of the world. Only to a certain extent has competition been prohibited, and that is in reference to capital ships.

At the opening of the war in 1914 there were in European waters practically only two first-class navies—those of Great Britain and Germany. Shortly thereafter, in 1916, under an act of Congress, the American fleet was accumulating many ships of all classes. The promise was that in 1925 the United States would possess about twice as large an effective tonnage as that of Great Britain.

With the elimination of the German fleet as a sea power the British fleet was left supreme, but the shadow of the rising Navy of the United States was already robbing it of something of the tinsel of former centuries. There were two alternatives before the British Government—either the British taxpayer would have to spend millions of dollars to keep pace with the shipbuilding programs of the United States and Japan in active competition, or else Great Britain would have to be contented with the status of the second sea power of the world.

In these circumstances the Washington conference assembled. When the conference was convened, there remained uncompleted of our 1916 building program seven battleships and six battle cruisers. In determining the size of the various navies the question of tonnage was the only factor taken into consideration. The range of guns nor the speed of the ships played any part in determining how many capital ships the nations attending the conference were permitted to retain. Let us therefore see what this Government consented and by its treaty has agreed to do with reference to bringing about the ratio of 5-5-3.

As already stated, we had on the way seven battleships and six battle cruisers, upon which there had already been expended approximately \$350,000,000, and which ships were anywhere from 30 to 45 per cent completed. The tonnage of the 11 ships under construction was 520,000 tons. In addition to scrapping these 11 ships in process of being built, we agreed to scrap 17 other battleships, every one of which was in active commission except the *Maine* and the *Missouri*, of a tonnage of 267,740 tons.

The total tonnage agreed to be scrapped by this Government was 787,940 tons.

Now, it is interesting to see what Great Britain, who prior to the conference saw the dipping of its ensign to the American flag on account of our building program of 1916, agreed to do.

They agreed to scrap two paper ships—battle cruisers—the keel of neither of which had been laid when the conference assembled. In addition to that, what did they scrap? The gentleman from New York [Mr. Hicks] said they scrapped 500,000 tons of ships. Now, let us see what character of ships the British scrapped.

Great Britain agreed to scrap two paper ships which she contemplated building, but which, as a matter of fact, were not in process of construction. In addition to this, she consented to the scrapping of 24 old ships. All but 4 of these British ships had already, prior to the conference, been discarded by the British Admiralty as ineffective. Of the 24 ships that Great Britain agreed to scrap, only 4 were in active commission—*King George V*, the *Ajas*, the *Thunderer*, and the *Centurion*. The 20 other ships that were agreed to be scrapped had been out of commission for some time and had been placed upon the market for sale were obsolete and were not carried by the British Admiralty as effective ships.

While we agreed to scrap 15 ships that were in actual commission, able to fight, of a total tonnage of 267,740 tons, England agreed to scrap only 4 ships that were in actual commission, able to fight, with a total tonnage of 92,000 tons.

Mr. Chairman, it is necessary to keep the record straight, and that is the reason I desire to make observations about what actually was scrapped by England and what we scrapped.

Now, let us see what Japan agreed to do and what kind of ships she scrapped. Japan agreed not to construct 4 battleships and 4 battle cruisers, the keel of which had not been laid down by November 11, 1921. She agreed to scrap 2 of the new battleships and 2 of the new battle cruisers; to scrap 11 of her old battleships, making in all the scrapping of 17 capital ships with a total tonnage of 419,132 tons.

Based on the tonnage, which was the standard used by the conference in reaching the ratio of 5-5-3, the United States actually scrapped 762,940 tons in actual commission and in process of construction, while Japan scrapped in actual commission and in the process of construction 286,182 tons, and Great Britain had no ships in process of construction and only 92,000 tons in actual commission.

Of ships on the way, the United States agreed to scrap seven battleships and six battle cruisers, against two battleships and two battle cruisers for Japan. The keel of the two battleships agreed to be scrapped by Japan were actually laid after the conference had assembled.

Mr. Chairman, it has been said by no less a person than Archibald Hurd, an eminent British naval authority, that—the Washington conference will take its place in history as an assembly of unique performers.

Ah, Mr. Chairman, there is no doubt about it being unique. Unique in that this Government consented to the scrapping of 11 ships costing the taxpayers over \$350,000,000, which were from 30 to 45 per cent completed, against 2 battleships and 2 battle cruisers of Japan and against 2 paper battleships of Great Britain. Unique in that Japan is credited with scrapping 11 battleships in actual use, whereas as a matter of fact 3 of them, the *Kurama*, the *Ibuki*, and the *Ikoma*, until the conference have always been classed merely as first-class cruisers. Unique in that we scrapped 267,740 tons in actual commission against 92,000 tons in actual commission for Great Britain and 163,932 in actual commission for Japan.

Unique in that we retained four old battleships with 12-inch guns, against no ships of Japan or Great Britain being so equipped. Unique in that the agreement was based exclusively on tonnage alone, the range of guns and speed of ships being clearly forgotten.

Four of our capital ships, the *Florida*, *Utah*, *Wyoming*, and *Arizona*, have 12-inch guns, 11 of our capital ships have 14-inch guns, and three of our capital ships have 16-inch guns.

Five of the British ships have 13½-inch guns; 13 of the British ships have 15-inch guns. Four of the battle cruisers of Japan have 14-inch guns, 2 battleships have 16-inch guns, and 5 battleships have 14-inch guns.

Mr. Chairman, vessels with 12-inch guns may be eliminated from consideration, for guns of that caliber are no longer considered equal to the requirements of the near future. Bywater, a British naval engineer, in his book, *The Sea Power of the Pacific*, said:

Capital ships armed with these guns have ceased to be reckoned as first-class fighting units.

According to the same author, capital ships are now rated according to the following basis:

First-class ships, equal guns of 15 inches or more; second-class ships, equal guns of 13½ to 14 inches; third-class ships, equal guns of 12 inches or less.

According to this we have 3 capital ships of the first line, 11 of the second, and 4 of the third. Great Britain has 15 of the first line, 5 of the second, and none of the third. Japan has 2 of the first line, 8 of the second, and none of the third.

The distinguished Secretary of the Navy said:

Had we carried out the 1916 building program as laid down, we would have had 15 of the finest ships that ever sailed the sea. They would have been absolutely perfect in every detail; they would have been ships of the latest design and the latest improved methods and equaled by no ships in the world.

In 1922 the program was to scrap "the finest ships that ever sailed the sea." In 1923 the program is to patch up the old ships that we retained. One year we destroy "ships perfect in every detail." The next year we are called upon to endeavor to modernize the ships that we retained. Having abandoned the policy of completing ships "of the latest design and latest improved methods and equaled by no ships in the world" to take the place of old ones that have been in commission a great many years, we are now starting on this new policy to endeavor to improve the old ones and try to make them equal the ships that were destroyed.

We destroyed ships which a prudent nation would have retained; we kept some ships that should have been eliminated. Particularly is that true with reference to the four capital ships—the *Wyoming*, *Utah*, *Florida*, and *Arizona*, with 12-inch guns. The tonnage of these four ships was 95,650 tons, while the tonnage of the *Massachusetts* and *North Carolina*, two battleships in process of construction that were ordered scrapped, was 86,400. These two ships would have been modern in every detail. Mr. Chairman, the question of tonnage was the prime factor. We should have scrapped the four old ships above referred to, completed the *Massachusetts* and *North Carolina* or any two other of the battleships, and by doing so we would not now be called upon to modernize these old ships, endeavoring to change the elevation of 12-inch guns to give them a range as far as the 13½-inch or 14-inch guns.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TILLMAN. Mr. Chairman, the gentleman is making a very interesting speech. I ask unanimous consent that he be allowed to conclude his remarks.

Mr. VINSON. I will finish in one minute.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent that the gentleman from Georgia be allowed to conclude his remarks.

Mr. BLANTON. I do not object, but it ought to be for a definite time. I suggest 10 minutes.

Mr. VINSON. I do not want 10 minutes. One minute will be sufficient.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that his time be extended one minute. Is there objection?

There was no objection.

Mr. VINSON. It would have been far better to have completed the seven battleships, with a total tonnage of 253,200 tons, and to have scrapped that amount of tonnage of capital ships that we retained. If this had been done, we would not now be called upon to enter on a program which ultimately means the expenditure of many millions of dollars, and after doing this fail to obtain ships equal to the seven battleships ordered scrapped.

But, Mr. Chairman, we are confronted with conditions as they stand to-day. Therefore it is incumbent on us now to modernize these 13 ships and endeavor to give a ship with a 12-inch gun an equal range to those ships of Japan and Great Britain that have 13½-inch guns. [Applause.]

[Mr. VINSON had leave to extend his remarks.]

Mr. HICKS. Mr. Chairman, I move to strike out the last two words for the purpose of making a statement. We have all been impressed by the able remarks of the gentleman from Georgia [Mr. VINSON]. As far as I am personally concerned, I am not so much interested in what we scrap as in what we retain. It is the living ship, not the dead one, that concerns me. It seems to me we should look to this conference for the guidance it gives the nations of the world. When our battleships of the future will equal in strength the battleships of Great Britain and exceed those of Japan, I say the Washington conference has been a success. When we eliminate capital-ship competitive construction and fix a specific ratio for naval strength, I say the conference has been a success. But we can not measure the worth of that conference by dollars and cents; we can not measure it by standards of Budget economy. That conference was a success because of the good will it established between the nations of the world; because it discussed in candor and frankness, without hate and jealousy, vital international problems; because it demonstrated to ourselves and to others that misunderstandings may be settled by a peaceful coming together of the nations around a council table rather than in the trenches of an armed conflict. [Applause.]

Mr. Chairman, the reason that this amendment should be adopted is because of the change of policy that has come about because of the Washington conference. The policy of Great Britain with her supremacy in ships has always been to modernize her ships instead of laying down new ones. That policy is effective when you have a superiority of numbers, but with the American Navy, where the number of ships has been inferior, instead of taking the money and putting it into modernizing old ships we have devoted it to new construction, spending our money for new ships. When we scrapped the building program of 1916 we scrapped that policy, and as it is impossible to lay down new ships we should modernize the old ones and keep them up to date.

Mr. DICKINSON. Will the gentleman yield?

Mr. HICKS. Yes.

Mr. DICKINSON. Was there any suggestion in the peace conference with our Government that our Government should spend millions of dollars arranging the guns on boats in order to have a 5-5-3 policy?

Mr. HICKS. If the gentleman will read the naval treaty he will see that it is provided in the treaty that the powers can change their present ships by strengthening the decks and make other changes for defense against aircraft and the attack of submarines provided the total tonnage will not be increased more than 3,000 a ship.

Mr. DICKINSON. Was anything said that you could increase the guns or the length of the guns?

Mr. HICKS. We are not increasing the number or the length of the guns.

Mr. DICKINSON. It seems to me that the situation is this: That we went in there and accepted these ships as our pro rata share of the Navy allotment. Now you get outside the conference and you find that they have a bigger range than we have, and we are asked to back up and fill because we happened to make a bad bargain.

Mr. HICKS. Let me answer my friend from Iowa, because I know he is sincere. Before the conference was held Great Britain was modernizing her ships, based on lessons learned at Jutland, and so was Japan, and, therefore, it was inserted in the treaty that all parties should have the right to modernize ships for protection against attack from the air and sub-

marines, and to do this, as other nations are doing, this amendment is passed.

Mr. HUSTED. Will the gentleman yield?

Mr. HICKS. Certainly.

Mr. HUSTED. Was not it put in the treaty because Japan and Great Britain were doing the very thing that you are proposing to do here?

Mr. HICKS. Yes; I have already so stated. That was the reason why it was put in the treaty. As I have mentioned, we had to abandon the policy of using money for new ships because of the terms of the treaty.

Mr. TILLMAN. Will the gentleman yield?

Mr. HICKS. I will.

Mr. TILLMAN. Does the gentleman from New York challenge the statement made by the gentleman from Georgia [Mr. VINSON], does he contradict the figures given by him with reference to the conference?

Mr. HICKS. I did not quite catch the gentleman's question.

Mr. TILLMAN. The gentleman was here and heard the speech of the gentleman from Georgia?

Mr. HICKS. I am sorry to say that I was out of the Chamber a part of the time.

Mr. TILLMAN. The gentleman from Georgia stated in substance that Japan and England drove a very hard bargain with the United States as to ships and that the United States got the worst of it.

Mr. HICKS. I do not agree with the gentleman at all. I think it was a great success for the United States and for all the world.

Mr. TILLMAN. The gentleman from Georgia does not think so.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HICKS. Mr. Chairman, I ask unanimous consent that I may proceed for five minutes more.

The CHAIRMAN. The gentleman from New York asks to proceed for five minutes more. Is there objection?

There was no objection.

Mr. HICKS. It seems to me that whatever ships we have, be they many or few, ship for ship they should be equal to any Navy on the sea. [Applause.] We have a ratio agreement in this treaty of 5-5-3. If that ratio is to be maintained it seems to me that we must make changes in our ships to match the changes made by the other powers who are parties to that ratio agreement. Otherwise it is not the real ratio.

Mr. STEAGALL. Mr. Chairman, will the gentleman yield?

Mr. HICKS. Yes.

Mr. STEAGALL. How does the gentleman reconcile that contention with the theory that competition has been forever ended?

Mr. HICKS. Competition is not ended in the auxiliary fleets at the present time, although I hope the day will come when we will have some agreement regarding these smaller vessels.

Mr. BUTLER. It is only on the big ships.

Mr. VINSON. Competition has been eliminated so far as capital ships are concerned, and this deals only with capital ships.

Mr. STEAGALL. I can not subscribe to the views that competition is ended when we have committed ourselves forever to the policy of keeping pace with the other nations with whom we have entered into a contract instead of adhering to the traditional policy of this Government of pursuing our own course as a leader among the nations of the world rather than having to stop and consult others about what our policy shall be on a matter so vital as this.

Mr. HICKS. Mr. Chairman, I want to conclude my remarks with reference to this paragraph—

Mr. McKENZIE. Mr. Chairman, will the gentleman yield to me for a question?

Mr. HICKS. Yes.

Mr. McKENZIE. The gentleman understands this thing, and we want to hear from him. Under this provision you are undertaking to make our Navy equal to that of Japan and England?

Mr. HICKS. Yes; as provided for in the treaty.

Mr. McKENZIE. And we are not undertaking to give our guns a greater range than the guns of England and Japan? In other words, if there were to be a duel, and a certain kind of arm was chosen, each one of the duelers would have the same arm; and that is all there is to this proposition?

Mr. HICKS. This provides that our guns shall have the same shooting qualities as the guns carried by the British and Japanese Navies. They have now a battle range of 32,000 yards. They have elevated their guns on most of their

ships, and they are doing work on some of the other ships. We propose to elevate the range of our guns in order to be equal to theirs, so that our battle range will be the same as theirs, and it seems to me that the American Congress can do nothing less for the American Navy than to give it the same efficiency and strength as that possessed by any navy in the world. [Applause.]

Mr. HUSTED. In other words, we are simply trying to maintain our place in the 5-5-3 ratio?

Mr. HICKS. That is all.

Mr. BUTLER. And, furthermore, we put it in the amendment; that was done in pursuance of the treaty.

Mr. MCKENZIE. I agree with the gentleman from New York; but, as a matter of fact, I think it is idle, because they will never get within range.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. HICKS. Yes.

Mr. FISH. Realizing that the gentleman from New York has a fund of information upon this particular subject, I want to ask him a question. Under the 5-5-3 ratio how many battleships does this country maintain at the present time?

Mr. HICKS. Eighteen.

Mr. FISH. And that is the same number that England has?

Mr. HICKS. No; England has 22 at the present time, under the treaty, and when she builds the two new *Hoods*—

Mr. FISH. Then she will have the same?

Mr. HICKS. No. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has three minutes.

Mr. HICKS. I would like to explain these things and I would like to have the time to do so.

Mr. BUTLER. Mr. Chairman, I am now going to perform a very disagreeable duty and attempt to close debate.

The CHAIRMAN. The gentleman can not do that without the permission of the gentleman from New York, who has the floor.

Mr. HICKS. I want to talk for a few minutes to answer my friend from New York [Mr. FISH]. Under the treaty the American Navy is allowed 18 battleships. That is the number also we will have when certain changes are made. The reason it will remain the same is because we destroy two—the *North Dakota* and the *Delaware*—and we add two—the *Colorado* and the *West Virginia*—making 18 now and 18 in the future under the provisions of the treaty. Great Britain at the present time, under the treaty, has 22 battleships of capital size, and under the treaty, when substitutions are made, she will scrap four and add the two new *Hoods*. Therefore, under the new arrangements she will have 20 instead of 22.

Mr. FISH. I am afraid the gentleman and I will not agree upon the answer to the question that I want to ask now, but inasmuch as we are limited now to 18 battleships what harm would it do if we should reduce that ratio of battleships by one-half; reduce our Navy down to 9 battleships and have the other countries maintain the same ratio? Would not that provide for safety on the seas against pirates and for free intercourse on the ocean?

Mr. HICKS. I imagine so. Mr. Chairman, I am going to finish my very much broken into discourse. I ask not to be interrupted, because I am going to read now from the words of a great statesman, Mr. Charles E. Hughes, to whose brilliant statesmanship, able leadership, and sincerity in presenting the aims and hopes of humanity, the success of the conference was largely due. This is what he recently said in regard to maintaining our Navy:

Personally, I am strongly in favor of maintaining an efficient Navy up to the treaty standard. This does not involve any injurious competition in battleships but simply makes possible the work and equipment which maintain the security and relative position contemplated by the treaty.

That is what the Secretary of State says about maintaining the present treaty Navy, and that is all this amendment is proposing to do. [Applause.]

Mr. BUTLER. Mr. Chairman, I ask unanimous consent that all debate upon this section and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection?

Mr. MONDELL. Mr. Chairman, the debate must be upon the section.

The CHAIRMAN. The Chair hears no objection.

Mr. DALLINGER. Mr. Chairman, I have an amendment that I desire to offer.

Mr. GRAHAM of Illinois. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GRAHAM of Illinois. The gentleman from Massachusetts has an amendment on which he desires some time on this

section. Under the 20-minute unanimous-consent arrangement is he precluded from speaking?

The CHAIRMAN. The Chair was about to ask the gentleman from Pennsylvania [Mr. BUTLER] who was to have the five minutes on the Republican side?

Mr. BUTLER. I think that we will accept the amendment of the gentleman from Massachusetts.

Mr. DALLINGER. Very well, that is satisfactory.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GRAHAM of Illinois. A parliamentary inquiry. Reserving the right to object—

Mr. BUTLER. Mr. Chairman, I move that all debate upon this paragraph and all amendments thereto close in 20 minutes.

Mr. BLANTON. Mr. Chairman, I make the point of order that has already been agreed to by unanimous consent.

Mr. BUTLER. I withdraw it.

The CHAIRMAN. The Chair hears no objection.

Mr. BYRNES of South Carolina. Mr. Chairman and gentlemen of the committee, I intended to offer an amendment to this section. The amendment now presented by the chairman of the committee covers the objection I had to the section and therefore I am in favor of the amendment of the chairman, but I want it distinctly understood that I am in favor of it solely because I know that the statement of the gentleman from Georgia is true, and that under the terms of the treaty we have not eliminated competition but have merely changed the form of competition, and I want this Government to have a navy which in fighting strength is equal to the fighting strength of the navy of Great Britain and as five to three to the navy of Japan. When the naval bill was pending I presented to the committee information which caused me to reach the conclusion that it was absolutely necessary, if we were to preserve this ratio, that we modernize existing ships and increase the number of our cruisers and develop other fighting units not covered by the treaty.

I am for the amendment, but I do not want the people of this country or of any other country to believe that by the terms of the treaty of February 6, 1922, we have eliminated competition. Why, the statement of the gentleman from Pennsylvania himself proves that we have not. When our representatives in the armament conference agreed to the 5-5-3 it was only as to tonnage, but the average American believed, and believes to-day, that it meant 5-5-3 in fighting strength. And we want this ratio in fighting strength maintained by making such improvements as are permitted by the treaty. My only desire is that we should be scrupulously careful not to go outside the terms of the treaty, and therefore I approve of the amendment now pending while I disapproved of the language of the bill. I want the people of other countries to know that the intent of the Congress is that we very scrupulously abide by the provisions of this agreement solemnly entered into as to armament. The treaty provides:

No alteration in side armor, in caliber, number, or general type of the mounting of main armament shall be permitted.

If we are going to raise the elevation so that a 12-inch gun will have the same range as a 14-inch gun, and can do it without altering the general type of the mounting of main armament, well and good. That can be determined only by the experts of the Navy Department. If in order to increase this range we have to violate any of the provisions of the treaty, then I would oppose it; but I am placing confidence in the Navy Department and in the executive officials of this Government to see to it that we do not violate it; and I want this amendment to specifically limit improvements to those permitted by the treaty, so that we will keep faith and so that the members of the House of Commons and members of the legislative body in Japan can not take this bill and use it as an argument before those legislative bodies to justify or excuse violations of the spirit of this treaty by those governments. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. Mr. Chairman, I maintain that it is the duty of this Congress to construe this treaty of February 6, 1921, when we pass laws that may be in conflict with it. I maintain that the only replacement we are permitted to make under the terms of that treaty is when a vessel is 20 years old—20 years from the time of its completion—we can replace that vessel, and under the terms of this treaty you can not change the mounting of our guns such as is contemplated here in this bill. I am in favor of keeping the obligation in spirit as well as in the letter. Let us see what our obligation is. Let me read you some excerpts from this treaty.

The contracting powers shall abandon their respective capital ship-building program and no new capital ships shall be constructed or acquired by any of the contracting powers except as so provided.

Now, notice that clause again that my distinguished colleague from South Carolina read. That clause of itself puts us in bad faith if we attempt upon these capital ships, 13 of them, to change the mounting of our guns. They say that such change will give us a range of 31,000 yards and will cost \$6,500,000. I know that you deem it of vast importance. We have here the shipbuilding corporations on one side of the gallery, and up in the other end of the gallery we have 20 representative walking delegates of the American Federation of Labor watching us, who are looking after the men who are building the ships. They are all hovering here like vultures, forcing this bill down the mouth of Congress, because they want this \$6,500,000 spent. But I am going to keep the agreement that this country made with these foreign countries in spirit and in letter. Let me read you again what it says:

No alteration in side armor, in caliber, number of general type, or mounting shall be permitted.

Is not this an alteration in mounting? Are we not to raise these turrets from 15 to 30 degrees, and is not that a violation of our treaty? I am for keeping our bond. I am in favor, when we authorize our representatives to enter into a solemn agreement with the countries of the world, of keeping it, and I am not in favor of coming in here now, under whip and spur, and made to violate the very essence of the treaty. It would be bad faith, I submit to my colleagues. It would be doing these people wrong.

Like gentlemen who have preceded me, when we entered into a solemn obligation with various countries after the kind of conference that was held here, in these days of great discontent, in these days that are trying men's souls, I want the whole world to know that this Government is going to stand to the contract, to the letter and to the spirit of it. We should not violate it; we should set an example for the world upon this subject, and I hope that somebody will rise up here and take such steps as will stop the adoption of this amendment, that will strike out of this bill section 8. It has no business in this bill. We ought not to adopt it. We ought to defeat it and let these people who are pushing it down our throats go back home and follow some other occupation which has peace for its aim, peace for its glory, and not war. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. O'CONNOR rose.

The CHAIRMAN. The gentleman from Louisiana is recognized.

Mr. O'CONNOR. Mr. Chairman and gentlemen of the committee, if the Washington conference were, as some of the speakers have indicated, mainly an instrumentality that made a noble gesture, I believe that in itself would have justified the existence of that conference. If concord and understanding have resulted from that gesture and have taken the place of discord and antagonism, we may well say to those gentlemen in that conference, "Well done, thou good and faithful servants." I am for any conference or gathering that will make for an era of good feeling instead of the animosity that might prevail. Anything that will minimize the chances of war is desirable. A conference that will delay war is desirable. Notwithstanding my hopeful disposition, however, I was never convinced that the world would be brought to a position during our lifetime or probably during the next three or four hundred years, if ever, where war will be looked upon as a thing of the past. I never could escape the conviction that as long as human nature remains what it is, afflicted, cursed by rapacity, greed, cupidity, ambition, and the hatreds that are engendered as a result of national and industrial and commercial rivalries, war will remain with men in every generation as the final arbitrament, when nothing but blood and iron can settle the issue. That is why I want a first-class Navy for this country. The gentleman from New York [Mr. COCKRAN] some time since urged with considerable force and with his accustomed eloquence on the floor of this House that a second-class navy was like a second-best poker hand; that just as a second-best hand invited loss and disaster to the person possessing that hand in a poker game so a second-class or second-best navy is a liability instead of an asset and leaves a country in an immeasurably worse position than a nation possessing no navy at all, because the nation possessing no navy at all would run no risk even to the unthinkable of paying for protection, while the nation possessing a second-class navy, believing itself equal to its adversary, might boldly invite the conflict which would end in its fleet going to the bottom of the sea.

I believe in a large navy and a powerful navy. Why? Because I can not blind my eyes to the facts of history. Much as I hope and pray for the millennium, I can not believe that we are near the day when we can hope that nations will cease

to attack each other; when the blood lust is aroused by racial or national antagonisms, for then the polished veneer of civilization disappears and primordial passions govern and control. I believe we should never give up the means of defending the civilization that we have suffered so much to achieve. I do not believe we will ever be so short visioned as to forget the means by which we grew rich and great and powerful and strong, and that it is force under the control of the "lesser breeds without the law" that has buried old civilization and given birth to new empires. I do not think we were forgetful at the Washington conference, at any rate I hope our commissioners were not unmindful of history's pages and that terrible force which has been the cradle and the grave. Without wishing to be considered overcritical, it looked to me as if the conference treaties meant nothing else than an agreement not to fight with brass knuckles, slings, bows and arrows, brickbats, catapults, and other obsolete methods of warfare.

It is true we agreed to junk to a certain extent our battleships, our capital ships, but we did not abandon our cruisers and our submarines and our auxiliaries and our aircraft, and I am glad we did not do so. Kingdoms gained by blood must be by blood maintained, and our people and our Nation would be a Nation of fools to put themselves at the mercy of another nation that might desire to secure an uncontested position as the leader of the vanguard of civilization and relegate us to "the rear and the slaves." We must never forget the constantly changing attitudes, alliances, and rivalries of the peoples of the world. Our enemy of to-day may be our friend of to-morrow, and our friend of to-day may be our enemy of to-morrow. One of the monitions of fraternity itself is, "Beware of the seeming friend of to-day, for he may be the enemy of to-morrow." We have built up a glorious civilization by force and by the mailed fist. We have acquired a glory that was of Greece, a grandeur that was of Rome, and we ought not at this time platitudinously, for the purpose of indulging in high-sounding sentences about peace and her multitudinous blessings, abandon a policy that will keep us and maintain us as a great, splendid leader, the vanguard of the mightiest civilization this world has ever known. "Millions for defense, but not one cent for tribute" and the "Army and Navy forever" should be as good to-day as when first uttered.

Of course, if we were outwitted at the conference table we ought by congressional action to rectify any mistake that was therein made and any stake we lost, and we ought to modernize our vessels and put ourselves upon an equality with the strongest nation or empire across the seas. I am not a croaker, I am not antianything. I am an American, concerned with my country's welfare, and without wrapping myself in the flag and parading across the stage like a chorus girl. I desire to consult and advise with my countrymen on the best means to secure and maintain our welfare. It is but right that as the guardians and trustees of the national honor and integrity and glory and opulence, and all that makes for those things that are valuable to human existence, we should not only modernize our warcraft upon the water, but look to our submarines and aircraft, for the dangers of the next war will be from the clouds and from under the seas.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. Not now.

Mr. Chairman, the thought that occurs to me at the moment is this: Were our commissioners outwitted at the table of diplomacy? Or is it possible that our commissioners went to that conference without the necessary information? I can not believe they were guilty of such an unthinkable, such an unspeakable blunder. They could have secured reliable information from the Naval Establishment. If they secured that information and acted upon it honestly and sincerely, and believed they were establishing a ratio of 5-5-3 in fact as well as in theory, then you have got to hold them blameless and come to the conclusion that the information tendered by our Naval Establishment was not what the situation demanded and was misleading. There is no other conclusion, no alternative, except to believe that the Navy Department knew we were being outwitted and outclassed, but were prevented from giving utterance to the admonition and declaration and warning to their countrymen. This bill to modernize the Navy should create a demand for more light than has recently been vouchsafed the people of our country. The addresses that have been made here to-day show that we were outwitted and that we have to rectify whatever mistakes were made at that conference. Cry for light—you are entitled to it—but pass the bill which will cure the error, blunder, or what you will of the conference. [Applause.]

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. DICKINSON rose.

The CHAIRMAN. The gentleman from Iowa is recognized.

Mr. DICKINSON. Mr. Chairman, it was my expectation to move to strike out section 8, but in view of the fact that a substitute has been offered I shall support the substitute. [Applause.]

In my judgment, however, in order to carry out the provisions of the substitute the Navy Department must give careful study to the provisions of this peace treaty; and, regardless of the fine eloquence displayed here by the gentleman from Louisiana [Mr. O'CONNOR] and others, it is my judgment that this Government of ours can not afford to take any risk in doing that which will violate the terms of the four-power pact. Why? Because we invited the nations of the world here as our guests; we told them to come here, and we told them that we were acting in good faith; and I believe we should carry out this treaty in good faith.

Let me tell you what we said to them when they came here. The President in his message to them said:

Gentlemen of the conference, the United States welcomes you with unselfish hands. We harbor no fears; we have no sordid ends to serve; we suspect no enemies; we contemplate or apprehend no conquests. Content with what we have, we seek nothing which is another's. We only wish to do with you that finer, nobler thing which no nation can do alone.

I wonder if we are going to forget those sentiments now? Secretary Hughes said in his address:

Preparations for offensive naval war will stop now.

Now the question comes as to whether we can turn over here to this provision that has been referred to by the gentleman from South Carolina [Mr. BYRNES] and quote it and say to ourselves that we have the same exemption under that provision that we gave to Italy, France, and also gave England. If they were then building naval vessels and equipping them with longer-range guns, that was the time when this country ought to have seen that our interests were protected and not to ask Congress for modification of the peace policy, and that we ought not to do a thing that is in violation of either the spirit or the terms of this peace treaty. What does it say? It says:

No alterations in side armor, in caliber, number, or general type of mounting of main armament shall be permitted except:

1. In the case of France and Italy, which countries within the limits allowed for bulge may increase their armor protection and caliber of the guns now carried on their existing capital ships so as not to exceed 16 inches (406 millimeters).

Second. That the British Empire shall be permitted to complete, in the case of the *Renown*, the alterations to armor that have already been commenced but temporarily suspended.

I want to say to this House now that there is not a word in the hearings that shows that either England, Japan, France, or anyone else has done a single, solitary act in violation of the terms of that treaty; yet we come in here now and say that we are going to prepare to increase the range of our guns, not by changing their caliber but by seeing if we can find some method whereby we can make those guns shoot a little farther than they have shot heretofore. I contend, gentlemen, that it is absolutely contrary to the spirit of the pact, and I do not believe that the Navy Department ought to authorize one single, solitary dollar of expenditure in that direction. [Applause.]

Mr. HUDSPETH. My friend states that there is nothing to show that England, France, or Japan has violated that treaty. Then these newspaper reports that we see, which state that France has increased its navy beyond what was agreed to in the disarmament conference, are not true, in the gentleman's opinion?

Mr. DICKINSON. Not unless they have gone beyond the exception made in the treaty. In other words, an exception was made, as I have read.

Mr. HUDSPETH. The gentleman has seen those statements in the newspapers, though?

Mr. DICKINSON. Yes; but I do not believe they are true.

Mr. BLANTON. Does the gentleman think that expediency ever justifies the violation of a solemn agreement?

Mr. DICKINSON. No.

Mr. MACLAFFERTY. If the range of our guns is 22,000 yards and the range of their guns is 32,000 yards, then there will be a range of 10,000 yards through which our boys from Texas and California and New York will be defenseless, and we can not run through 11,000 yards of gunfire and live.

Mr. DICKINSON. If we made a bad bargain, let us stand by it. If our Government experts did not know that fact when the disarmament conference was in session, they never ought to have permitted this treaty to be signed.

Mr. MACLAFFERTY. That is true.

Mr. DICKINSON. If they made a mistake, I say it is our business to stand by it, when we invited the other nations of the world here to make an agreement with us.

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. BUTLER].

The question being taken, on a division (demanded by Mr. BLANTON) there were—ayes 48, noes 3.

Accordingly the amendment was agreed to.

Mr. DALLINGER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. DALLINGER: At the end of section 8 add the following words: "Provided, however, That no part of the moneys authorized to be appropriated in each or any section of this act shall be used or expended for repairs or changes by private parties or for the purchase or acquirement of any article or articles that at the time of the proposed repairs, changes, or acquirement can be made, manufactured or produced in each or any of the Government navy yards of the United States, when time and facilities permit, for a sum less than they can be made, produced, or acquired otherwise."

Mr. BLANTON. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. What is the gentleman's point of order?

Mr. BLANTON. That it is not germane to this section 8 and that it is not germane to the bill; that it is an unrelated subject. There is no question of economy here involved. It seeks to control the discretion of our Executive, which is in violation of the rule.

Mr. BRITTEN. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BRITTEN. Is it possible under the rules of the House to add an amendment to an amendment under the circumstances?

Mr. BLANTON. Not while there is a point of order pending.

Mr. BRITTEN. I was referring to the amendment before the House. I was not intending to take the gentleman off his feet.

Mr. GRAHAM of Illinois. Mr. Chairman, I do not think the point of order made is good. This is a limitation. It has been passed on, I think, a good many times by chairmen of committees in the past, and I am rather inclined to think it has been passed on by the Speaker on one or two occasions. It is a limitation, and has been carried on other bills from time immemorial.

Mr. BUTLER. It has been held in order on other bills.

Mr. GRAHAM of Illinois. It is germane to this section and to the matters mentioned in this section.

Mr. VINSON. Mr. Chairman, the limitation has been placed heretofore on appropriation bills, not on a legislative bill. It would be in order on an appropriation bill, but is not in order on a legislative bill.

The CHAIRMAN. Has the gentleman from Illinois anything to say to the fact that it refers not only to this section but to all other sections of the bill?

Mr. GRAHAM of Illinois. I think it is a proper limitation on the other section of the bill so far as they call for expenditures. A proper limitation on expenditures is a limitation that they shall not be used except in a certain way, and therefore is applicable only to the expenditures authorized by the bill. This limitation comes within those requirements. For that reason I think it is pertinent and germane. I will remember, for instance, the argument made here by our late colleague, Mr. Mann, when he contended on the floor of the House, and I think properly, that if the House should provide a limitation that the expenditure should be made by a red-headed man it would be a good limitation. That was a favorite expression of his. I think this is germane.

Mr. SNYDER. Will the gentleman yield?

Mr. GRAHAM of Illinois. I yield to the gentleman from New York.

Mr. SNYDER. Not on the point of order, but on the merits. The reason I think it is not a proper limitation is that it can not be ascertained at the time that the purchase is made or the articles manufactured that it can be done cheaper elsewhere.

Mr. GRAHAM of Illinois. That is a matter of some doubt always and of some difficulty in this amendment, but nevertheless that is an executive matter or an administrative matter that will have to be worked out by administrative officers. If it is impossible to do it; that is another matter.

Mr. BEGG. Will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. BEGG. I would like to apply this test to this as a limitation. It seems to me the real test here as to whether it is a limitation would be this: It certainly is a limitation as to where the Navy Department can get its supplies. As to whether it is a limitation in cost can not be determined until

the actual supplies are furnished, and if it should be found that the supplies cost more by being produced by the Government than they would if purchased of a private industry, according to this amendment it would be a violation of the law.

Mr. GRAHAM of Illinois. It is not claimed that this is a retrenchment.

Mr. BEGG. The limitation, to make it in order, means the limitation in expenditure.

Mr. GRAHAM of Illinois. No; it does not. The limitation does not mean necessarily retrenchment or a lessening of expenditure; it means a limitation of use, it restricts the way in which it can be used.

Mr. BRITEN. The amendment, boiled down, is: If the Navy Department can do the work cheaper than it can be done outside the Navy Department, the Navy Department shall do it. That is all there is to the amendment.

Mr. BEGG. Mr. Chairman, I would like to add that you would not know whether it was cheaper until you advertised for bids. That is the law now, and, as I stated on the floor a few weeks ago, when the gentleman from Massachusetts offered the same amendment to the Army bill, that they advertised in the Army for bids and they received 13 bids. The lowest was 10½ and the highest was 17½, and all the other bids were under 17½, and that was from the Army arsenal, and they awarded the contract to the Army arsenal simply because they had a large force of men and had to give them something to do. I maintain that it is poor business to confine it in such a way.

Mr. DALLINGER. They could not do it under this amendment.

Mr. HUSTED. Mr. Chairman, I would like to ask the chairman of the committee if any part of the funds to be expended under this bill other than for ship construction is affected by the proposed amendment.

Mr. BUTLER. It affects all the others.

Mr. HUSTED. Does it apply to any fund except for ship construction? If it does, it is not a proper limitation, because a limitation applies only to the fund to which it is related.

Mr. DALLINGER. Mr. Chairman, I ask unanimous consent to strike out that part of my amendment that refers to other sections of the bill.

Mr. BLANTON. I object, and I wish to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. BLANTON. Mr. Chairman, if the Chair will read section 8 he will see that it is only proposed to modernize the elevation and range of the turret guns. Any amendment offered to section 8 must be germane to that proposition. What is this amendment? This is not an appropriation. The amendment is:

*Provided, however, That no part of the moneys authorized to be appropriated in each or any section of this act shall be used or expended for repairs or changes by private parties or for the purchase or acquirement of any article or articles.*

It does not limit it to modernizing the turrets, it does not limit it to changes in the elevation or range of the guns on these 13 battleships; it applies to everything, it takes in the whole world. The amendment continues:

that at the time of the proposed repairs, changes, or acquirement can be made, manufactured, or produced in each or any of the Government navy yards of the United States, when time and facilities permit, for a sum less than they can be made, purchased, or acquired otherwise.

For that reason it is not germane. For another reason it is out of order because of the fact that it destroys the discretion of the executive who has this matter in charge. When are we going to stop seeking to do that to the detriment and interest of the people of the United States? It is for the interest of the people that there shall be a proper discretion placed in our executive offices. Whenever Congress seeks by limitation to gag and hodge the executive offices the people of the United States suffer. I submit, Mr. Chairman, that under the rulings of distinguished Chairmen and this distinguished Chairman, one of the most distinguished parliamentarians in this House, this amendment is not in order.

The CHAIRMAN. The Chair is ready to rule. After the encomiums of the distinguished gentleman from Texas as to the parliamentary ability of the Chair it would be difficult to rule against him. [Laughter.] This is not a question of limitation on an appropriation bill. It is a legislative bill, and the only question here is the question of germaneness. As the amendment is drawn, referring to a number of sections in the bill, it seems to the Chair that under the rules of the House it is not germane to this particular section. The amendment affects all the sections and all the expenditures authorized in the bill. Therefore the Chair sustains the point of order.

Mr. DALLINGER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. DALLINGER: Page 7, after section 8, insert the following: "Provided, That no part of the moneys authorized to be appropriated in this section shall be used or expended for repairs or changes by private parties or for the purchase or acquirement of any article or articles that at the time of the proposed repairs, changes, or acquirement can be made, manufactured, or produced in each or any of the Government navy yards of the United States for a sum less than they can be made, purchased, or acquired otherwise."

Mr. BLANTON. Mr. Chairman, I make the point of order that the amendment is out of order in that it is not germane to section 8, which it follows, and to which it must be applicable and held accountable. In addition to that, it is an improper restriction upon the discretion of the Executive.

The CHAIRMAN. This amendment is even broader than the other. The Chair sustains the point of order.

Mr. DALLINGER. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. DALLINGER: Page 7, at the end of section 8, add the following: "Provided, That no part of the moneys authorized to be appropriated in this section shall be used or expended for repairs or changes by private parties or for the purchase or acquirement of any article or articles that at the time of the proposed repairs, changes, or acquirement can be made, manufactured, or produced in each or any of the Government navy yards of the United States, if time and facilities permit, for a sum less than they can be made, purchased, or acquired otherwise."

Mr. BLANTON. Mr. Chairman, I make the point of order that the amendment is out of order in that it is not germane to section 8, that it is an improper limitation upon the discretion of executive officers. This is not to authorize an appropriation, but it provides for the expenditure of money which has already been appropriated and is now in the Treasury. The amendment is not in accord with section 8 in that respect, because it treats section 8 as authority for an appropriation, when there has already been an appropriation.

Mr. BEGG. Mr. Chairman, I call the attention of the Chair to the fact that this paragraph deals only with the changing of the elevation and range of the turret guns. The first part of it provides as to the amount that may be expended for repairs and changes to capital ships, that it shall not apply to such sums as the Congress may from time to time appropriate for modernization by increasing the elevation of turret guns. This amendment undertakes to curtail all of the money.

Mr. DALLINGER. Mr. Chairman, in carrying out the provisions of this section, articles have to be purchased.

The CHAIRMAN. The gentleman is sure that this amendment is limited to moneys authorized under this section?

Mr. DALLINGER. It says so. In doing this work they will have to buy certain articles. If they already have them in the navy yards and they can be purchased more cheaply there than they can get them outside, why should they not be used?

Mr. BLANTON. How does the gentleman know that they are going to buy anything? They may not buy anything.

Mr. DALLINGER. Then it does not apply.

The CHAIRMAN. Congress has the right to determine in what way any moneys authorized shall be expended, and if the proposition is germane to the matter under consideration this is all the requirement that is necessary in a legislative bill. It would seem that as the amendment is now drawn it limits the moneys authorized to be appropriated under this section only, and therefore it appears to the Chair to be germane. The Chair overrules the point of order.

Mr. BUTLER. Mr. Chairman, let us have a vote.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. DALLINGER) there were—ayes 32, noes 20.

So the amendment was agreed to.

The Clerk read as follows:

#### ACQUISITION OF CERTAIN SITES FOR AVIATION.

SEC. 9. That the Secretary of the Navy be, and he is hereby, authorized to expend from the appropriation "Aviation" contained in the act making appropriations for the naval service for the fiscal year ending June 30, 1924, and for other purposes, approved January 22, 1923, a sum not in excess of \$13,000 for acquiring the site of the naval air station, Galveston, Tex.; a sum not in excess of \$18,000 for acquiring the site of the naval air station, Lakehurst, N. J., and right of way for railroad spur track appurtenant thereto; a sum not in excess of \$20,000 for acquiring the site of the Marine Corps flying field at Reid, Quantico, Va.; and a sum not in excess of \$58,335 for acquiring the site of the naval air station at Chatham, Mass.: *Provided*, That the Secretary of the Navy be, and he is hereby, authorized, in his discretion, to sell the site of the naval air station, Galveston, Tex., with the improvements thereon, upon such terms as he may deem proper: *Provided further*, That \$13,000 of the proceeds of such sale shall be deposited to the credit of the appropriation from which the purchase price of the land is defrayed.

That the sums herein authorized shall remain available until expended.

Mr. GRAHAM of Illinois. Mr. Chairman, I move to strike out the last word. I do not know that it will do any good to

talk about it and I do not want to set my judgment up against the judgment of the committee on this proposition, but I call attention to the fact that here we are authorizing considerable sums of money to be used for the acquisition of three flying fields.

Mr. HICKS. Oh, the gentleman does not want to make a misstatement. There is but one field for the Marine Corps, and that is the one at Quantico.

Mr. GRAHAM of Illinois. The others are for the Navy?

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. BRITTEN. Each of these parcels of property is now or has been in the possession of the United States since the war, and we are merely completing an old moral obligation to pay for what we have been holding.

Mr. GRAHAM of Illinois. Let me say what I want to say, and that is this: I have always thought that it is utter folly for us to maintain flying fields for the three branches of our military service. We have flying fields for the Marine Corps, flying fields for the Navy, flying fields for the Army, and now we have flying fields, I believe, for the Post Office Department. There is no reason on earth why we can not cut down considerable expense by combining some of these flying fields into large aviation centers, where the aviators of the country generally can be trained without maintaining these expensive establishments for three or four different branches of the Government. It is being argued that we started these during the war. Can not some constructive plan be worked out by this Congress or the next Congress so that we can consolidate these activities and cut down the overhead expense and make great aviation centers instead of these many little fields around the country, each of which costs almost as much as a big one?

Mr. BUTLER. We do not know what to do with them.

Mr. HICKS. Has the gentleman finished?

Mr. SWING. If we are going to have aviation, we have to have them along the coast. At strategic points we have to have aviation fields for flying from and flying back.

Mr. GRAHAM of Illinois. All right; along the coast. I do not want them in Illinois in our cornfields. It is not our fault particularly, but we are following up a practice that was established during the war, and we have got military reservations all over the length and breadth of the land. We have naval reservations, marine reservations, and post-office reservations until we are burdened and borne down by the grievous rate of taxation that is imposed on us because we did not tackle the proposition in the proper way. Nobody is due for any particular criticism, but why not adopt some comprehensive general plan?

Mr. BUTLER. This is to relieve it from taxation, to save money.

Mr. HICKS. Has the gentleman finished?

Mr. GRAHAM of Illinois. There are a few things I want to get out of my system about this proposition, and I believe I am right about it.

Mr. HICKS. Has the gentleman concluded?

Mr. GRAHAM of Illinois. If the gentleman will just curb his anxiety, I shall have finished in a moment, but I believe I am right about this thing. I think somebody ought to tackle it. I have been waiting for years and we seem to have made no progress under that line; we have not got anything tentative even in the construction of a plan.

Mr. BLANTON. Is this the gentleman's opening speech?

Mr. MCKENZIE. Will the gentleman yield?

Mr. GRAHAM of Illinois. I will.

Mr. MCKENZIE. I hope the gentleman has been following the activities of the Committee on Military Affairs and knows that we have on the calendar a bill providing for the sale of some 50 or 60 tracts and authorization for the sale of many more; and so far as the Military Establishment is concerned, we are doing our best to unload. [Applause.]

Mr. GRAHAM of Illinois. So far as Congress is concerned, it is standing still.

Mr. MCKENZIE. We expect to move next week.

Mr. HICKS. Mr. Chairman, I move to strike out the last two words. Gentlemen, I am glad to explain this item, because it is a matter I think really entitled to have cleared up. The position of my friend appears to be well founded, but he is ignorant of some of the facts upon which he is talking. Now, I agree that we ought to cut down a lot of the aviation stations, but here is the case where we have expended vast sums of money and where we need stations and where we use them. Now, let me take them one at a time. This provides for the purchase of a field at Quantico, Va., the headquarters of the Marine Corps. We have there an expenditure of many hundreds of thousands of dollars, and we are using that field now

to train the marines. We have built these hangars on land we did not own, and we are paying rent for that land at \$1,500 a year. For \$20,000 we can buy the land upon which we have these hangars. Why, it is Government efficiency and business economy to buy this land and stop paying rent, because we have to have that land upon which to train the Marine Corps. There is no question but what the Marine Corps should have aviation as a part of it. This provides for the training field at Quantico, where the marines are trained. I think that will cover the Quantico station.

Mr. MCKENZIE. Will the gentleman yield?

Mr. HICKS. I will.

Mr. MCKENZIE. I agree with the gentleman from New York as to the business proposition involved here.

Mr. HICKS. I will give another one.

Mr. MCKENZIE. But I would like to ask the gentleman from New York, however, what action the Committee on Naval Affairs has taken to unload some useless and unnecessary pieces of real estate; that is the point.

Mr. HICKS. We have started. We have cut out many stations, and some action ought to be taken by which we can sell them. We have in Cape May, Chatham, five or six, at least, where there is only one man to protect the Government property and see that there is no damage. Now, these stations mentioned in this amendment are stations which the Government has obligated itself to buy. This Congress authorized the buying, and the only reason they did not do it was because the authorization while continuous the appropriation ran out before the authorizations could be made good and because of defect in title.

Mr. MCKENZIE. I do not think the gentleman from New York and myself differ much on this proposition. I would like to ask the gentleman from New York whether or not the Navy Department has made any recommendations to the Committee on Naval Affairs asking that a bill be passed authorizing and directing them to sell?

Mr. HICKS. I will say to my friend from Illinois that within the last few months the Rodman board, composed of Admiral Rodman and other officers, have gone over the property owned by the American Navy to see where property could be eliminated, and that report is expected to be acted upon at some near future date. Now, here is the station at Lakehurst. We spent nearly \$7,000,000 upon that property, and we do not own the property. Now, it seems to me it is only business judgment to go ahead and buy that land because we have got these enormous expenditures. These stations, Mr. Chairman, are stations which are used now with one exception, and that is the station at Galveston, Tex.

During the war we selected a site on the Gulf of Mexico. We made arrangement to buy the property, but before title could be passed, because of a defect in title, the money lapsed; but we went ahead and in the meantime have spent \$248,000 in filling the lot. We do not want the land, and that is one of the cases where we are eliminating the site; and as soon as we get title we propose to sell it at the best price we can get, and it is provided in this bill that after getting the property then the Navy Department is authorized to dispose of it at the best price possible. Now, that same thing happens in a number of cases, but I think with that explanation, Mr. Speaker, the committee ought to be satisfied and accept this amendment.

Mr. FROTHINGHAM. In view of what the gentleman from California said, I remember General Patrick appeared before our committee the other day and said the airplanes went so fast that they did not need the stations on the coast. They could put them where they would be safe.

Mr. HICKS. It is pretty difficult to put in with a seaplane on the land when a seaplane operates on the water.

The CHAIRMAN. The time of the gentleman from New York has expired. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HICKS: Page 8, line 2, before the word "naval" insert "Navy Department and the."

Mr. HICKS. Mr. Chairman, that is merely to clarify the language and have the same wording and title that the appropriation bill carries.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### MARINE CORPS PERSONNEL.

SEC. 10. That no officer of the Marine Corps below the grade or rank of colonel shall be promoted or advanced in grade or rank on the active list unless the examining board provided for in the act approved July

28, 1892, entitled "An act to provide for the examination of certain officers of the Marine Corps, and to regulate promotions therein" (27 Stat., p. 321), shall, in addition to making such certificate of qualification for promotion or advancement as may be prescribed by the Secretary of the Navy, certify that there is sufficient evidence before the board to satisfy the board that the officer is fully qualified professionally for the higher grade or rank.

That when the said examining board shall consist of seven or more officers of the Marine Corps, any officer whose case is before it may be found not professionally qualified without the right to be present or to challenge members of said board.

That any officer of the Marine Corps who fails to qualify professionally upon examination for promotion or advancement shall be reexamined as soon as may be expedient after the expiration of one year if he in the meantime again becomes due for promotion, and if he does not in the meantime again become due for promotion he shall be reexamined at such time anterior to again becoming due for promotion as may be for the best interests of the service: *Provided*, That if any such officer of less than 10 years' total active service, exclusive of service as midshipman or cadet at the United States Naval Academy or the United States Military Academy, fails to qualify professionally upon reexamination he shall be honorably discharged from the Marine Corps with one year's pay: *Provided further*, That if any such officer of more than 10 years' total active service, exclusive of service as midshipman or cadet at the United States Naval Academy or the United States Military Academy, fails to qualify professionally upon reexamination, he shall not be discharged from the Marine Corps on account of such failure, but shall thereafter be ineligible for promotion or advancement; and any such officer shall be retired with a percentage of the pay received by him at the date of retirement equal to 2½ per cent for each year of total active service, not to exceed 75 per cent, upon attaining, or if they have previously attained, the ages in the various grades and ranks, as follows: Lieutenant colonel, 50 years; major and company officers, 45 years.

That brigadier generals of the line shall, subject to physical examination, be appointed from colonels of the line whose names are borne on the eligible list prepared annually by a board of not less than five general officers of the Marine Corps, and approved by the President.

That hereafter, as vacancies occur, the heads of staff departments shall be appointed for terms of four years from officers holding permanent appointments in the departments in which the vacancies occur, whose names appear on eligible lists prepared annually by a board of not less than five officers of the Marine Corps above the grade or rank of colonel, including the major general commandant and the heads of the staff departments, and approved by the President, but no head of a staff department appointed for a term of four years shall sit as a member of the board during consideration of names for the eligible list for his department: *Provided*, That in case there be no officer holding a permanent appointment in a staff department whose name is borne on the eligible list for appointment as head of that department, the appointment shall be made from officers of field rank of the Marine Corps whose names are borne on the aforesaid eligible list for that department.

That any officer of the grade or rank of colonel whose name is not borne on one of the current eligible lists for appointment as brigadier general or head of a staff department shall, if more than 56 years of age, be retired with a percentage of the pay received by him at the date of retirement equal to 2½ per cent for each year of total active service not to exceed 75 per cent.

Mr. HILL. Mr. Chairman, I move to strike out the last word.

Mr. BUTLER. Mr. Chairman, I have an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Pennsylvania.

The Clerk read as follows:

Amendment offered by Mr. BUTLER: On page 10, line 13, strike out the words "total active," and, after the word "service," insert the following: "to be computed in accordance with the provisions of section 1 of the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Marine Corps, Coast Guard, Coast Survey, and Public Health Service,' approved June 10, 1922"; and, on page 11, line 21, after the word "service," insert "to be considered in accordance with the provisions of section 1 of the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Marine Corps, Coast, Coast Survey, and Public Health Service,' approved June 10, 1922."

The CHAIRMAN. The Clerk calls the attention of the Chair to the fact that the gentleman from Pennsylvania has omitted to insert the word "Guard" in his amendment.

Mr. BUTLER. I ask that the word be inserted.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. BUTLER. Mr. Chairman, these amendments are offered after consultation with my friend from Alabama [Mr. OLIVER], who, along with the gentleman from Illinois [Mr. McKENZIE], and along with the gentleman from Indiana [Mr. KRAUS], a member of the committee that equalized and adjusted the pay of the men in these different services. These two amendments are proposed in order to prevent bringing any provision of this proposed law into conflict with that law. I will ask my friend from Alabama, with whom I have talked, whether in his judgment it does not remove the touching point?

Mr. OLIVER. Yes; with this amendment added, "That nothing herein shall be construed as authorizing other than commissioned service to be considered in determining the retirement pay of any officer commissioned after July 1, 1922." I understand it was the purpose of the gentleman to amend it so as to avoid violating that section of the pay bill that prevented commissioned and enlisted service being considered after July 1, 1922. This will make it absolutely clear. That is to go in at the end of the section.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. OLIVER: Page 11, line 21, after the word "centum," strike out the period and insert a colon and add the following: "Provided, That nothing herein shall be construed as authorizing other than commissioned service to be considered in determining the retirement pay of any officer commissioned after July 1, 1922."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Alabama.

Mr. HILL. Mr. Chairman, I ask recognition in opposition to the amendment. No; I will withdraw that.

The CHAIRMAN. The Clerk informs the Chair that the amendment offered by the gentleman from Alabama [Mr. OLIVER] is not an amendment to the amendment.

Mr. OLIVER. No. It is simply to clarify the section. I think the amendment of the gentleman from Pennsylvania should be passed first.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania [Mr. BUTLER].

The amendment was agreed to.

Mr. OLIVER. I offer my amendment at the end of the section.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Alabama.

The Clerk read as follows:

Amendment offered by Mr. OLIVER: Page 11, at the end of the section, strike out the period and insert a colon and add the following: "Provided, That nothing herein shall be construed as authorizing other than commissioned service to be considered in determining the retirement pay of any officer commissioned after July 1, 1922."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BEGG. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BEGG: Page 11, line 21, amend by adding at the end of section 10 a new section to be No. 10½, as follows:

"That a special committee, to be composed of five Members of the Senate to be appointed by the Vice President, and five Members of the House of Representatives to be appointed by the Speaker of the House of Representatives, shall make an investigation and report recommendations by bill or otherwise to their respective Houses not later than April 1, 1924, relative to the revision and the readjustment of the laws providing for the retirement of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, including the matter of retainer pay."

Mr. MONDELL. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Wyoming reserves a point of order.

Mr. BEGG. Mr. Chairman, I want the point of order made if it is to be made.

The CHAIRMAN. Does the gentleman from Wyoming make his point of order?

Mr. MONDELL. I am reserving the point of order.

The CHAIRMAN. The gentleman from Ohio [Mr. BEGG] is recognized.

Mr. BEGG. I insist on the regular order.

The CHAIRMAN. The regular order is, Does the gentleman from Wyoming make his point of order?

Mr. MONDELL. My point of order is that the amendment is not germane.

The CHAIRMAN. The Chair sustains the point of order.

Mr. MONDELL. I did not make the point of order. I simply reserved it. I do not know that I shall want to press it.

The CHAIRMAN. The gentleman from Ohio demanded the regular order.

Mr. BEGG. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BEGG: On page 10, line 10, after the word "advancement," strike out the semicolon and insert a period and strike out the remainder of the paragraph.

Mr. BEGG. Mr. Chairman and gentlemen of the committee, I am not at all insistent on my amendment being carried, but I offer it for the purpose of making a few observations on retirement pay. I am sorry the gentleman from Wyoming insisted on the point of order, for the simple reason that the same kind of a committee was appointed with reference to active pay and made a report, which was enacted into law, that did justice both to the men and to the Government. There are gross injustices now in retired pay, unjust both to the men and to the Government. It would seem to me that the leader of the House ought to be willing to have a proposition considered be-

fore this House that has the sole motive of being for the best interests of the men in the service and at the same time to protect the Government from being mulcted out of a certain amount of money unnecessarily.

Mr. MONDELL. I did not insist on my point of order. I simply reserved the point of order, and I should not have insisted on it. But let me suggest to my friend that it is only two months since we adjusted this pay. How frequently must we readjust it?

Mr. BEGG. The gentleman certainly does not intend to make any such statement as that on the floor of the House.

Mr. MCKENZIE. That had nothing to do with pay.

Mr. BEGG. There has not been anything like this considered in the House, and the gentleman has been here long enough so that he ought to know that.

I want to call the attention of the House to the fact that under the retirement law, after a man has given the best years of his life to his Government, under this provision on page 10 that I have moved to strike out, a man may serve his Government until he is 45, if he is below the grade of lieutenant commander, or until he is 50 if he has attained the title of lieutenant commander, and then it says he shall be retired; and there are many of these men who are perfectly capable of serving longer. On the other hand, if they are physically and mentally perfectly capable of serving longer, the Government of the United States is entitled to their services, and it is nothing but poor business and carelessness that such a hodge-podge of laws has been allowed to accumulate on the statute books with reference to retirement. If my amendment had been allowed to become a law, there would have been an investigation of all the laws of all the five services governing retirement, and the inequalities and injustices would have been eliminated and the men would have been protected, and as I said at the beginning, the Government would not lose the services of men physically and mentally able to continue in the service.

Mr. GRAHAM of Illinois. The gentleman said a while ago that he was not particularly interested in his amendment. Does he not think it ought to be adopted, in view of what the gentleman has stated?

Mr. BEGG. My reply to the gentleman is that if this last amendment, which I have offered to strike out, would eliminate all the injustices, I would say, "Yes; by all means," but this is just one little step, and I am not in favor of picking out one man or one small group of men in one service and allowing similar injustices to continue as to other men in other services. I want to say that I personally know a retired officer in the Navy who is taking the place of a civilian in an institution with which I am connected, and he is drawing a man's pay; he gets a man's pay from the Government, and he is not as old as I am.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BEGG. I ask that my time be extended two minutes.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that his time be extended two minutes. Is there objection?

There was no objection.

Mr. BLANTON. Will the gentleman yield?

Mr. BEGG. I yield to the gentleman from Texas.

Mr. BLANTON. The gentleman seems to be in earnest.

Mr. BEGG. I am in earnest.

Mr. BLANTON. And the gentleman believes his amendment is a good one. Why are we not allowed to vote on it?

Mr. BEGG. Just simply because it picks out one or two men, and there is no use of picking out one or two and letting the rest go. My original amendment would have studied the whole question.

Mr. DENISON. What does the gentleman think about retiring General Crowder and then appointing him to a civilian position?

Mr. BEGG. That is none of my business. I would not do it if I had my way about it.

Mr. HILL. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland.

Mr. OLIVER. I ask unanimous consent that the gentleman from Ohio have two minutes more.

The CHAIRMAN. The Chair has recognized the gentleman from Maryland [Mr. HILL].

Mr. BEGG. I did not hear the Chairman say that my time had expired.

The CHAIRMAN. The gentleman had started to take his seat.

Mr. BEGG. I had started to yield to the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER. Will the gentleman from Maryland yield?

Mr. HILL. I will yield to the gentleman two minutes.

The CHAIRMAN. The gentleman can not do that.

Mr. OLIVER. I do not understand that the gentleman from Wyoming [Mr. MONDELL] stated that he would make the point of order.

Mr. BEGG. But he made it.

Mr. OLIVER. Members of the House who are familiar with the situation feel that there is large merit in the gentleman's amendment.

Mr. BEGG. I intend to try it again in another paragraph.

Mr. OLIVER. I understood the gentleman from Wyoming to say that he would not make the point of order. There are some inequalities that should be corrected and the gentleman is correct in stating that the committee on adjusting the pay did not go into that.

Mr. BEGG. Mr. Chairman, I withdraw my amendment.

Mr. HILL. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I am against this amendment because, if the amendment is proper, the whole paragraph should go out.

Mr. MONDELL. But the gentleman from Ohio has withdrawn his amendment.

Mr. HILL. Mr. Chairman, I ask not to be interrupted.

Mr. MONDELL. But the gentleman must proceed in order, and he is not in order in speaking of an amendment that has been withdrawn.

Mr. HILL. I said I was against the amendment, and if it was a proper one the whole paragraph should go out. This paragraph provides—and I ask the chairman of the committee, if I do not understand it correctly—the bill provides that if any officer fails to qualify professionally on reexamination—that means if he can not pass the routine examination for promotion—that if he happens to be 45 years of age, has served 10 years, and is a company officer he can be retired from the service. I would like to ask the chairman of the committee if that does not make a totally different system of retirement for the Marine Corps from that in the Army at the present time?

Mr. BUTLER. We asked and were told that it did not.

Mr. HILL. I think it is an entirely different system from that in the Army, and for that reason I question the wisdom of it.

Mr. BUTLER. I am mistaken; it is the Navy retirement. The Navy and the Marine Corps are closely associated and therefore in the retirement provision they have put in the naval provision.

Mr. HILL. It should be on the same basis as the Army, and I move to strike out the paragraph.

Mr. CHINDBLOM. What paragraph?

Mr. MONDELL. Mr. Chairman, I ask unanimous consent that all debate on this section and amendments thereto close in 10 minutes.

The CHAIRMAN. The gentleman from Wyoming asks unanimous consent that all debate on this section and amendments thereto close in 10 minutes. Is there objection?

Mr. BEGG. Reserving the right to object, does this close the whole section?

The CHAIRMAN. Yes. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. STEVENSON. Mr. Chairman, in this matter of soldiers' retirement and soldiers' pay I am going to ask that for just a few minutes we look at another set of soldiers. I want to read into the RECORD the greatest tribute that any President of the United States has ever paid to a set of soldiers who are fast passing away. I will say that I think it will have the unanimous indorsement of all the people here and that probably we will not feel as belligerent when we get through as we are just now.

The President of the United States, Mr. Harding, was invited to attend the Confederate reunion at New Orleans, and this is his answer, and I invite the attention of everybody to it. He says:

The President wrote Captain Dinkins expressing regret because of his inability to accept an invitation from the committee to attend the reunion.

"You say, in part," Mr. Harding said, "the call of the time is equally to emphasize and impress the courage, loyalty, and constructive citizenship of American manhood in the peace that follows war. The Confederate veterans began anew with resources exhausted and opportunity reduced and by matchless energy, devotion, and cooperation rebuilt and rehabilitated their land into immense production and broad prosperity."

EXAMPLE FOR WORLD.

"I am quoting these sentences because they have moved me to say that in my judgment the reconstruction of the South, by the people of the South, in the face of tremendous discouragements following the war, set the finest example that could be urged upon a war-wasted world to-day," the President continued. "The men of Lee's and Johnston's armies went home to their tasks of reconstruction with hearts of

courage and purpose of determination to overcome all obstacles; to deserve the good will and the help of others by proving their own good will and by helping themselves to the utmost of their capacity. They had earned the respect and regard of their opponents on the battle field; they earned it yet more completely and emphatically by their conduct afterwards, and in earning it they insured not only the Union's restoration but its advance to that splendid place which it holds in the family of nations.

#### FOUND WASTE AT HOME.

"In this connection, because this theme has long made a peculiar appeal to me, I should like to add another thought. The men of the Confederate armies went home after the war to a land that not only was devastated but had suffered literally a revolution of its economic system. However desirable were the ultimate results of that revolution, it imposed upon the people of the South a complication of difficulties which vastly aggravated their task of reframing an empire's social and industrial plan of life. Their achievement, in all the circumstances, constitutes one of the greatest accomplishments of any people in all history.

"Feeling thus, I hardly need tell you of the regret with which I have to say that it is impossible for me to accept an invitation which so greatly appeals to me.

"I will be glad to have you convey to the assembled veterans my most ardent wishes for their happiness, health, and prosperity, and my hope that they may gather for many more equally agreeable occasions of the sort."

That generous and just and splendid encomium made by the President of the United States should be embalmed in our record and go down in history as the utterances of that great man, in which he showed his greatness more than in any other act since he became a public servant. [Applause.]

Mr. MCKENZIE. Mr. Chairman and gentlemen of the committee, when we had the service pay bill under consideration we investigated many things. The purpose of the pay bill was to equalize the pay of the men in the service. When we had that bill up for consideration in the House I made the statement that I was, and am now, opposed to the retirement of any officer from the Army or the Navy or Marine Corps on any other ground than that of physical disability. [Applause.] In the Army—and I speak advisedly because I know—we have numerous ways of getting officers retired. We understand how that great man, General Harbord, a man for whom I have the highest admiration, was retired. We understand how General Cronkhite was put out under another provision, and properly so under the law—we understand that after 40 years of service a man can be retired regardless of age—and furthermore I am one of those who believe that the American boys of the Army and the Navy and the Marine Corps are all our boys and ought all to be treated alike, but there is a difference in the retirement law affecting the Navy and the Marine Corps and the Army.

I for one would like to see a joint committee of the House and Senate take this matter up and give to it the consideration that the joint committee gave to the service pay bill and come back here in 1924 with a recommendation for a law that will equalize these things, and do justice to all and protect this Government against these many ways of retiring men for other than physical disabilities. [Applause.]

Mr. LINEBERGER. Mr. Chairman, will the gentleman yield?

Mr. MCKENZIE. Yes.

Mr. LINEBERGER. The gentleman says that he is for equality and justice. He does not follow that to the emergency officers of the Army?

Mr. MCKENZIE. Absolutely. The emergency men who went in to fight our battles in the World War were of two classes—one was officers and the other privates—and I stand here today maintaining, and shall continue to maintain, that those boys who went in to fight our battles shall be treated with equality and that no preference shall be shown to the officers.

Mr. LINEBERGER. The gentleman does not apply that to the Regular Army, however?

Mr. MCKENZIE. Absolutely to the Regular Army; that is my position, and the gentleman from California well knows it.

Mr. BYRNES of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. MCKENZIE. Yes.

Mr. BYRNES of South Carolina. Was it not the conclusion of every Member who served on the special committee on pay that the retirement provision should be investigated and made uniform?

Mr. MCKENZIE. Absolutely. We saw the inequalities and the evils of the present existing law, and this resolution offered by the gentleman from Ohio [Mr. BEGG] does no more than provide for a study of this question and a recommendation to the House.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. MCKENZIE. Yes.

Mr. MONDELL. The gentleman seems to be very earnest about this matter. He has been an able member of the Committee on Military Affairs for years. Why has he not had that committee attend to this matter? Why bring it in here on a

naval bill, which contains important matters that the committee has considered carefully, and, without any further consideration than you can give it at this time, add it to this particular bill? There will be other opportunities. Let us get this legislation through; let us do this.

Mr. MCKENZIE. If the gentleman will permit an answer, a resolution has been introduced by the gentleman from Ohio providing for this, and it is before the Committee on Rules. From my experience in trying since last June to get a resolution through that committee to provide for the consideration of the Muscle Shoals proposition, I have but little hope that this resolution will ever come out of that committee; and when we get a chance at this time to do something by amendment that is why I am in favor of doing it.

The CHAIRMAN. The time of the gentleman from Illinois has expired. All time has expired. The question is on the amendment offered by the gentleman from Maryland, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HILL: Page 8, beginning with line 22, strike out all of section 10.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

#### RELIEF OF CONTRACTORS.

SEC. 11. That the Secretary of the Navy is hereby authorized and directed to make thorough investigation and determination of the merits of all claims which may be submitted to him in writing, and verified under oath, within six months from the date of approval of this act, for any loss alleged to have been caused to any contractor, subcontractor, or material man in the performance of any fixed price (including fixed unit price) contract entered into by any person, firm, corporation, or association within the United States, through the Secretary of the Navy or the Navy Department from April 6, 1917, to November 11, 1918, inclusive, or entered into prior to April 6, 1917, to be completed after that date, which loss or delay was caused to such contractor, subcontractor, or material man by the action of any Government agency by reason of priority orders for material or transportation, commandeering of property or material, or other order of Government authority not authorized by the contract, on or between the dates above mentioned: *Provided*, That in determining the loss on any contract entered into prior to April 6, 1917, only such part of the uncompleted contract as was affected by the interference of the Government or some Government agency shall be subject to adjudication: *Provided further*, That no claim for alleged losses on account of increases in wages shall be made under the provisions of this section by any contractor, subcontractor, or material man until he has established proof to the satisfaction of the Secretary of the Navy that he has complied with the order issued by the Macy Board or other Government boards and has actually paid his employees the award ordered by said board.

No claimant shall obtain such relief whose entire volume of business with the Government or as a subcontractor or material man upon contracts with the Government during the period aforesaid shall have yielded a net profit of not less than 6 per cent or more: *Provided*, That no claim shall be examined or reported which rests upon a contract under which the prime contractor shall have given a full, final, qualified, or unqualified release to the United States.

In the performance of the duties of this section the Secretary of the Navy is authorized to make such rules and regulations, not inconsistent therewith, as may be proper and necessary for the orderly conduct of his duties thereunder, and is hereby authorized to summon witnesses and examine them under oath, acting either in person or through such agencies as he may establish, and to require claimants to exhibit their books and papers, and to obtain from the Secretary of the Treasury income tax and other financial reports, and submit them to him, where the same may be pertinent to the questions under inquiry.

That the Secretary of the Navy shall decide each claim presented under this section in accordance with the principles of justice and equity; and if it shall be found that on account of such action of the Government hereinbefore stated a loss was caused to any such claimant, the Secretary of the Navy shall fix and determine the amount thereof and shall recommend for allowance to claimant such part, and only such part, of said loss as, taken together with the claimant's net profits on the entire volume of business claimant may have had on account of contracts with the Government during the periods mentioned in paragraph 1 of this section, shall not exceed 6 per cent of such volume of business; and if it shall be found that by reason of any act of the Government, as above stated, the Government shall have a claim for liquidated damages against any claimant or petitioner on account of any such contract mentioned in the first paragraph of this section for delay in its performance, the Secretary of the Navy may so find, and such Government claim for damages on account of such delay may be waived and become of no effect: *Provided*, That the Secretary of the Navy shall make a report, through the Director of the Bureau of the Budget, of his proceedings and findings under this section to Congress for appropriation on or before January 2, 1924.

Mr. BRITTON. Mr. Chairman, I offer the following amendment which I send to the desk. It is a typographical error.

The Clerk read as follows:

Amendment offered by Mr. BRITTON: Page 13, line 6, strike out the words "not less than."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GRAHAM of Illinois. Mr. Chairman, I move to strike out the section. This section is practically the same thing that was up here about a year ago when this House was on the eve of killing it, when, I think, the chairman of the committee [Mr. BUTLER] withdrew it.

Mr. BLANTON. It has been killed twice.

Mr. GRAHAM of Illinois. It is a proposition that has met with condemnation in this House every time it has been here. It comes now dressed in a little different clothes, but it is the same old proposition. It is the Dent Act over again, nothing more, nothing less. It is an act that authorizes the Secretary of the Navy to allow all kinds of claims which are illegal and which can not be maintained under any law that exists, and of the extent and the amount of which nobody has any comprehension. It is a proposition that ought to be stopped, and immediately.

Mr. BLANTON. How is the gentleman going to stop it?

Mr. GRAHAM of Illinois. There is but one way to stop it, and that is to strike it out of the bill.

Mr. BLANTON. If the gentleman will do that, we will make him leader.

Mr. GRAHAM of Illinois. Mr. Chairman, the Committee on Naval Affairs, if they desire and think there is any merit in the proposition, can prepare and introduce a bill which will permit these people who have just claims to go to the Court of Claims for adjudication of their matters, but time and time again they have returned with this proposition to the House which simply does away with any legal adjudication and leaves to one man, who happens to be the Secretary of the Navy, the right to adjudicate these claims.

What kind of claims are they? They are claims, as I have said, that are absolutely illegal. They are any claims that arise from alleged damages that occurred on contracts that were made and executed between April 6, 1917, and November 11, 1918, during the period of the war, on account of any delay that was caused by any order of the Government of any kind which was not expressed in the contract under which these gentlemen were operating. That means anything; that means everything. Can you conceive of any possible delay or any possible loss that might have accrued to any contractor under any contract during this time, outside of his own ill-advised bidding on a proposition, that would not have occurred on account of the war that was in existence, when thousands of executive orders were being issued every day by every department? Every one of these and every cent of loss that is occasioned by any of these things can be charged up now and within six months after the passage of this act brought in before the Secretary of the Navy for adjudication. Gentlemen say to me that it is safe to trust him to settle these things, and that I ought to be willing to take the word of the Secretary of the Navy, one of the executive officers of my own Government for these things. I do not believe from my experience, based on experience that extended over two years of investigations of this kind, that any executive bureau of the Government ought to ever again be trusted with this sort of power. [Applause.]

And I will never, so far as I am concerned, vote for such a proposition. Let these claims be produced in a legal way. If there is somebody who suffered loss on account of contracts that ought to be repaid, let the loss be so fixed that they can go into a court of justice and have them adjudicated. You will observe from this amendment that there is no record kept. The Secretary of the Navy is not required to have witnesses summoned, he is not required to keep a record, and when allowances are made there is no appeal to any court or the Congress or anybody else. And here a lot of claims amounting to possibly millions or hundreds of millions are brought in here upon which there is not a scrap of paper afterwards available as to what has been done.

Mr. LONGWORTH. Will the gentleman yield?

Mr. GRAHAM of Illinois. I will.

Mr. LONGWORTH. I ask for information. I have read this rather hurriedly, but is the Secretary of the Navy given any more power than to report to the Budget?

Mr. GRAHAM of Illinois. Yes.

Mr. LONGWORTH. I wanted that very clear.

Mr. HUSTED. He is given authority to fix the amount of the claim and then makes a report to the Budget Bureau—

The CHAIRMAN. The time of the gentleman has expired.

Mr. VINSON. I rise to oppose the amendment.

Mr. GRAHAM of Illinois. I ask that I may have five additional minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. LONGWORTH. Does it not provide, page 14, lines 16 to 19, that he is required annually to report to the Bureau of the Budget and the Bureau of the Budget reports to Congress, and upon that the Congress takes such action as it sees fit?

Mr. GRAHAM of Illinois. No. Here is what happens. He goes to work and passes on these claims, makes a finding and

makes such an allowance as he sees fit. What does he do? On page 14 you will find—

That if it shall be found that by reason of any act of the Government, as above stated, the Government shall have a claim for liquidated damages—

As on account of a claim against the contractor—

against any claimant or petitioner on account of any such contracts mentioned in the first paragraph of this section for delay in its performance, the Secretary of the Navy may so find, and such Government claims for damages on account of such delay—

Observe how carefully the contractor is looked after—

may be waived and become of no effect.

Then what?

Provided, That the Secretary of the Navy shall make a report, through the Director of the Bureau of the Budget—

Of what?—

of his proceedings and findings under this section to Congress for appropriation on or before January 2, 1924.

Mr. HUSTED. The language of the bill on top of page 14 provides that the Secretary of the Navy shall fix and determine the amount thereof, so that the determination of the Secretary of the Navy is in effect a judgment?

Mr. GRAHAM of Illinois. Absolutely.

Mr. HUSTED. And he reports to the Budget Bureau, which passes it on to the Congress.

Mr. BLANTON. Will the gentleman yield?

Mr. GRAHAM of Illinois. I will.

Mr. BLANTON. It is in effect a determination of a court against the Government. Now, if the gentleman will yield, if it was confined to the war period it would be bad enough, but it permits the Secretary to go behind April 6, 1917, and find on contracts that existed before that date, before the war started.

Mr. GRAHAM of Illinois. It extends to contracts made before the war.

Mr. NEWTON of Minnesota. In our appropriation bills here we are asked to appropriate to pay judgments morally, and under this provision the recommendation by the Budget would be morally effective upon us to pay—

Mr. LONGWORTH. Precisely, that is what I wanted to get straight. The determination of any of these claims would be a determination made and submitted to Congress through the Budget and Congress would be morally bound.

Mr. GRAHAM of Illinois. Yes. Now, just a moment. The gentleman will observe it is the same thing as occurs when cases have been to the Court of Claims and that court has rendered judgment.

Mr. LONGWORTH. After the Secretary has determined the amount of the claim and that determination formed the basis of an action by the Court of Claims?

Mr. GRAHAM of Illinois. No; that ends it.

Mr. OLIVER. If the gentleman will permit, I have prepared an amendment which I intend to offer, in keeping with the idea the committee had, and it was in this language, that at the end of the section, "provided that any action taken by the Secretary of the Navy under authority of this section shall be effective only as a recommendation, to be submitted to Congress through the Director of the Bureau of the Budget." And I understand that is all the committee intends.

Mr. VINSON. That is the way it is now.

Mr. GRAHAM of Illinois. When this matter was up before the gentleman from the Naval Affairs Committee asked how they could do this thing if they did not do it in this way, and it was pointed out in this House that they could bring those claims in here and have them passed upon by Congress if they were found to be of sufficient importance.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM of Illinois. Certainly.

Mr. COOPER of Wisconsin. I notice on lines 16 to 19, inclusive, on page 14 this language:

That the Secretary of the Navy shall make a report through the Director of the Bureau of the Budget of his proceedings and findings under this section to Congress for appropriation on or before January 2, 1924.

Mr. GRAHAM of Illinois. Yes; that is all there is to it.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GRAHAM of Illinois. Mr. Chairman, I most earnestly trust this amendment will prevail. I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the gentleman's request? There was no objection.

Mr. VINSON rose.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. WINGO. Is the pending motion to strike out section 11, or to strike out the enacting clause?

The CHAIRMAN. It is to strike out section 11.

Mr. VINSON. Mr. Chairman, I rise in opposition to the motion of the gentleman from Illinois [Mr. GRAHAM]. His presentation of his motion clearly shows that he knows absolutely nothing about the intention of this section. Nowhere in this section has the Secretary of the Navy any authority, or anyone acting for him, to bind Congress, to determine how Congress will ultimately adjudicate these claims. This section is entirely different from the Dent Act.

Mr. BEGG. Mr. Chairman, will the gentleman yield for a brief question on that?

Mr. VINSON. Yes.

Mr. BEGG. If the Secretary of the Navy can not bind us at all, what good is all this work?

Mr. VINSON. The idea is to permit the Secretary, during the nine months that Congress is in vacation, to examine witnesses and examine contracts, and see if any of the contractors have a bona fide claim. If they have, then the Secretary is required to report to Congress, when each and every Member will be free to exercise for himself the right to determine whether the judgment of the Secretary in his opinion justifies an appropriation.

Now, the difference between this section and the Dent Act is that the Dent Act conferred power upon the department to settle claims. Nowhere does this section authorize the Secretary to settle the claims. Congress exercises its own right to settle these claims when the time comes to make an appropriation.

Mr. BEGG. Mr. Chairman, will the gentleman yield again for a question?

Mr. VINSON. Yes.

Mr. BEGG. What does the language mean on page 14, at the top, where it says that "The Secretary of the Navy shall fix and determine the amount thereof"?

Mr. VINSON. The Secretary makes his report to the effect that John Jones is entitled to \$3,000. But that is no authorization for Congress to appropriate the money, nor a moral obligation requiring that the gentleman from Ohio shall follow the Secretary's views and appropriate \$3,000. It is left for Congress to appropriate the \$3,000.

Mr. BEGG. Then if it is not binding on the Congress, Congress must go ahead and hold duplicate hearings and obtain new evidence.

Mr. VINSON. When the Secretary makes his report to the Budget Bureau it is the duty of the Congress to inquire into it. It is the duty of Congress to settle these claims, instead of permitting the department to settle them.

Mr. DAVIS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. VINSON. Yes.

Mr. DAVIS of Tennessee. I want to call the attention of the gentleman from Georgia to the fact that appropriations are necessary to pay the judgments of the Court of Claims. Congress can refuse, and sometimes does refuse, to appropriate for those claims, but this adjudication by the Secretary of the Navy will be just as binding on the Congress as would be a judgment of the Court of Claims.

Mr. VINSON. No. This would go before the Appropriations Committee to determine whether or not the claimant is entitled to relief. There is no requirement on the part of the gentleman from Tennessee that he must agree with the view of the Appropriations Committee or with the views of the Secretary of the Navy. We determine that question when he makes his report.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. Yes.

Mr. CARTER. Of course there is no positive obligation on Congress to appropriate, and a man can repudiate his debts if he wishes.

Mr. VINSON. It is no moral obligation.

Mr. CARTER. What is the purpose of this bill if it is not supposed that Congress shall make an appropriation? That is expressed in lines 16 to 19:

That the Secretary of the Navy shall make a report, through the Director of the Bureau of the Budget, of his proceedings and findings under this section to Congress for appropriation on or before January 2, 1924.

Mr. VINSON. That is to permit Congress to continue to retain jurisdiction of the claims. That is to permit the gentleman from Oklahoma to have his say as to whether or not he will vote to appropriate one dollar to these claimants. Instead of letting the Secretary determine it, we place the responsibility where it belongs, on the Congress, where the gentleman from Oklahoma can have a voice.

Mr. CARTER. Language similar to that is placed in bills that are sent to the Court of Claims—sent there for adjudication.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. VINSON. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. This section is so drafted that there are but six claims that can be considered from the Bureau of Yards and Docks. If the gentleman from Illinois [Mr. GRAHAM] will carefully read it, he will see that no claimant can file a claim after he has given the Government a qualified receipt. What has happened? In a great many instances there have been disputes between the Navy Department and contractors in reference, we will say, to some governmental order. They were not able to settle the claims standing on the company's books, and therefore they said, "We request you to pay us 75 per cent of the claim, and later we will file a claim for the balance, for the remaining 25 per cent." Under this section no claimant who has a claim of that character is permitted to go to the Secretary of the Navy and file his claim. In other words, when we put in there the words "if a contractor gave a qualified receipt" it made this section as harmless as a dog with his teeth pulled out. There is nothing to the bill but to permit the Secretary to gather the evidence and report on a handful of little claims; and it is nothing but proper that he should have the right to gather this evidence like a master in chancery.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Minnesota.

Mr. NEWTON of Minnesota. I am under the impression, from reading the provision hurriedly, that the terms of it are somewhat larger and more liberal than those of the Dent Act.

Mr. VINSON. The gentleman is clearly mistaken.

Mr. NEWTON of Minnesota. Let me call the gentleman's attention to this language here. It applies to these losses:

which loss or delay was caused to such contractor, subcontractor, or material man by the action of any Government agency by reason of priority orders for material or transportation, commandeering of property or material, or other order of Government authority not authorized by the contract.

That is larger than the terms of the Dent Act, as I understand the provisions of the Dent Act.

Mr. VINSON. Suppose a contractor was to file a claim for loss by reason of increased wages. It is incumbent upon the contractor to prove to the satisfaction of the Secretary that he has complied with the orders of the Macey Board, that he has complied with every order of every governmental department with reference to wages, and that he has paid the actual wages that these boards have authorized.

Mr. NEWTON of Minnesota. But I understand that this goes even further than that.

Mr. VINSON. This bill should be used as a model for future bills of this character, because it is so restricted that every protection is accorded to the Government. A contractor must come in with clean hands before he can get any relief.

Mr. NEWTON of Minnesota. What I am afraid of is that it will be used as a precedent and a model and that it will trouble us in the future.

Mr. LINTHICUM. Why should a man who was compelled to take 75 per cent of the amount of his claim be penalized?

Mr. VINSON. I will state to the gentleman that there is some merit in his suggestion, because this probably does injustice to some contractor; but knowing the temper of the House, knowing that the House was prejudiced on account of our having previously surrendered our power to some department, we put that in there to restrict the character of claims that can be filed.

Mr. LINTHICUM. Then the man who had capital enough so that he was able to wait for his money will get 100 cents on the dollar and the other man will get only 75 per cent.

Mr. VINSON. I will say to the gentleman that there are only six claimants before the Bureau of Yards and Docks who can file their claims who can qualify if this is retained in the bill.

Mr. LINTHICUM. It is on account of the principle involved that I am objecting to it.

Mr. VINSON. Morally the man who gave a qualified receipt should have just as much right to file a claim as if he had given no receipt at all.

Mr. STAFFORD. Does the gentleman make any distinction between "receipt" and "release"? The wording of the bill is "qualified release." Under the act authorizing a claimant to receive 75 per cent of the amount in dispute if he gave only a

receipt for that amount we enabled him to go to the Court of Claims for the balance of 25 per cent. Here you are using language different from a receipt, for you say "qualified or unqualified release."

Mr. VINSON. In the Navy Department "release" means identically the same that "receipt" does.

Mr. STAFFORD. "Release" is not the same as "receipt."

The CHAIRMAN. The time of the gentleman has expired.

Mr. SEARS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Florida asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. BRITTEN, Mr. CHINDBLOM, and Mr. HUSTED rose.

The CHAIRMAN. The gentleman from Illinois [Mr. BRITTEN], a member of the committee, is recognized.

Mr. BRITTEN. Mr. Chairman and gentlemen, if what my colleague from Illinois has said here was correct I would be in favor of striking out the entire section, but he is entirely ignorant of the facts, and I am surprised at the position he has taken. He has not the slightest idea of what this bill contemplates doing. Yet he comes to his colleagues from Illinois and wants to be the next leader of the House. I am astonished at the gentleman's position. This is no more like the Dent bill than the gentleman now looks like a house and lot. It is entirely different. It is no more like the kind of bill that the House had before it two years ago than the sun is like the moon. There is no comparison whatever, none.

Mr. J. M. NELSON. Tell us what the difference is.

Mr. BRITTEN. I will tell you what the difference is. The bill that was then before the House carried an appropriation, allowed claimants to file even though their contracts had been closed; established losses on an entirely different basis; covered hundreds of claims or prospective claims while this bill covers but a few. Senate bill 32, which this bill displaces, carried an appropriation, but in this bill which we have reported no appropriation is suggested. The amendment suggested by the gentleman from Alabama [Mr. OLIVER], that the Secretary's finding shall be purely a recommendation and nothing else, is what the committee desires. It has been frequently said on the floor of the House that a moral obligation of the Government is stronger than a contractual one. Here we have both.

Mr. DOWELL. Will the gentleman yield for a question?

Mr. BRITTEN. Let me complete my statement and then I will yield. Here we have a situation covering only six claimants in the Bureau of Yards and Docks of the Navy Department, and the total amount involved is \$37,000, and of those six the bureau chief says that two may not be affected.

So there is probably only four. All the other contracts before that bureau have been settled. There is nothing here that would justify opening contracts already closed. This bill does not allow the opening of claims that have been settled. Nothing can be reopened. There are five or ten claims pending there now which Congress has practically acted upon which the Secretary desires to settle. The claimants can not go into the Court of Claims, the court has no jurisdiction; they have got to come here and we, in our best judgment, must determine their claims. We do not suggest that the Secretary settle with them; we wanted Congress to do that at a later date. That we will have to examine books and keep accounts and all that sort of stuff is entirely without foundation.

The claims here are based upon this telegram of the Secretary of the Navy, and I leave it to you gentlemen of the House whether you want to live up to an agreement like this by the Secretary of the Navy. You have already appropriated the money which now is lying in the Treasury for a specific piece of work—the building of the battleship *Idaho*—a million dollars. The Secretary wants to pay it. Congress appropriated the money, but the comptroller says that under the law it can not be paid, and that special legislation must be enacted authorizing the payment of that money. A paragraph in the bill is for that purpose. The Secretary has got to recommend through the Bureau of the Budget and the Committee on Appropriations and have reappropriated any amounts of money. Let me read the telegram sent in the time of war to the contractor who was building the *Idaho*. He was directed to expedite its construction. Mind you, his contract was entered into before we got into the war. That was when labor was not what it was when we got into the war and when the prices of materials was not what they were after we got into the war. The chairman of the Naval Committee, Mr. BUTLER, went to the Secretary of the Navy and pleaded with him to do this very thing. Does anybody doubt the honest purpose and

intent of the chairman of the Naval Committee? The contractor replied: "If I go ahead on the *Idaho* and probably work three shifts under the disadvantages of the war and the war is on now, will you pay me the excess cost?" The Secretary telegraphed: "Yes; I will pay you the excess cost; submit your bill." He submitted his bill and Congress appropriated, but now these gentlemen say we ought not to pay it. Is it not absurd, and my distinguished ambitious leader is trying to make people believe that it is like the Dent bill which covered informal contracts, direct and indirect, where a corporal in the field ordered something that was called an indirect contract, and we had to pay under the Dent bill. There is nothing like that in our bill.

There is no way under heaven, gentlemen, that contractors can get money due them unless we authorize it.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SWING. Mr. Chairman, I ask that the gentleman have his time extended five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BRITTEN. We are authorizing the Committee on Appropriations to appropriate for these claims, and there is nothing doubtful in the claims, gentlemen. There are only half a dozen. Now, let me read you the telegram. Understand once more you all know our old Roman, Mr. BUTLER, would not go to the front for anything that was not absolutely right. He pleaded with the shipbuilders. They are in his district or just across the river. He went to them and pleaded with them to complete the ships so that we could get into the war. It would have been the biggest fighting machine in existence. They went ahead under the instructions of the Secretary of the Navy.

These men submitted their increased costs to the department for the department's approval, and the department after careful investigation approved it. Congress appropriated, and for all this time there has been a million dollars which should have been in public use lying in the vaults of the Treasury. I have a letter from the Chief of Bureau of Supplies and Accounts verifying that fact. There is a million dollars lying in the vaults of the Treasury for this particular thing, and it seems absurd to say that it should not be paid out to its rightful owner.

Now, my good friend over here is complaining about the proviso in the bill that permits the Secretary to waive liquidated damages. My Lord, that is awful; that is a terrible thing—waive damages for delays caused by the Government itself. Let me state a few cases to you. A man was building a tug over in New York—I think it was the Herreshoffs—but that case has been settled.

He then went into the mine-sweeper game for us, the building of small craft. When his tug was about ready for completion along came the War Department with a priority order and took his mechanical equipment away from him, stating that they needed the stuff in France and that it was more important that they have it over there than here. He complained and said, "But you are going to delay the completion of this ship." They replied they knew that, but that an extension would be granted. The Government did grant an extension of time for 30 or 40 or 60 days, whatever it was. There is nothing wrong about that; but the comptroller has held that the Secretary of the Navy could not waive liquidated damages in a case of that kind, and he had to assess \$50 a day or \$100 a day, as the case might be. This provision allows him to waive those liquidated damages. These are unimportant compared with the claim about the *Idaho*. They amount to only about \$37,000. My friend from Illinois [Mr. GRAHAM] is a very good friend of mine, and I regard him very highly, and I am for him; he is a capable man—

Mr. BUTLER. I do not know whether he is capable or not, and we must vote for a House leader, and I want to know whether he is capable or not. [Laughter and applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BRITTEN. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HUSTED. Mr. Chairman, the gentleman states that there are only six claims which will be affected by this provision.

Mr. BRITTEN. Six in the Bureau of Yards and Docks and two in the Bureau of Construction and Repair; none in Ordnance; none in Engineering and none in Supplies and Accounts.

Mr. HUSTED. If that is the case, why was the provision so drawn as to give the Secretary of the Navy authority to decide any and all claims which may be filed within six months after the passage of this act.

Mr. BRITTEN. They apply to these particular claims.

Mr. HUSTED. It certainly would apply to any claims that may hereafter come in.

Mr. BRITTEN. Oh, no. The language specifically says that when a contractor has signed a release, qualified or unqualified, with the Navy Department he has no further claim, and his claim, if he filed one, would not be adjudicated under that.

Mr. HUSTED. Then what does the following language mean?

That the Secretary of the Navy is hereby authorized and directed to make thorough investigation and determination of the merits of all claims which may be submitted to him in writing, and verified under oath, within six months of the date of the approval of this act.

Mr. BRITTEN. I think I have answered the question, but I shall answer it again. As near as we can tell from the various chiefs of the bureaus, there are no claims that will come under the provisions of this bill from the Bureau of Ordnance of the Navy Department and none from the Bureau of Supplies and Accounts.

Mr. DOWELL. How does the gentleman know that?

Mr. BRITTEN. Because we have inserted in the hearings the letters or statements from the chiefs of the bureaus affected by the legislation.

Mr. DOWELL. Then, why direct the Secretary of the Navy to investigate every claim filed within six months after the passage of the act?

Mr. BRITTEN. He only investigates those claims that come under the provisions of the act.

Mr. DOWELL. Oh, no. He is directed to investigate every claim filed within six months of the passage of the act.

Mr. BRITTEN. That is not in violation of the act, and the act specifies the kind of claim that can be considered.

Mr. DOWELL. But you provide for any loss. It is for any loss under any contract within certain dates.

Mr. BRITTEN. Oh, no.

Mr. DOWELL. Let me read this paragraph.

Mr. BRITTEN. It is for certain losses under contracts in the Navy Department where a settlement has not already been made.

Mr. DOWELL. Listen to this language for a moment. This provides that he shall investigate the claim if filed within six months of the passage of the act "for any loss alleged to have been caused to any contractor, subcontractor, or material man, in the performance of any fixed-price contract entered into by any person, firm, corporation, or association with the United States through the Secretary of the Navy or the Navy Department from April 6, 1917, to November 11, 1918, inclusive." That is so clear that it can not be misunderstood. He must investigate every claim of loss that occurred to any contractor who made a contract with the department within those dates.

Mr. CARTER. And it even goes back before the beginning of the war.

Mr. DOWELL. Yes.

Mr. BRITTEN. The bill is very clear in that it states the kind of contractor who has right to file a claim. He must be one who has not already given his receipt to the department.

Mr. DOWELL. Oh, no.

Mr. BRITTEN. Oh, yes.

Mr. DOWELL. The language says, "any contractor who has sustained a loss" under a contract within those dates.

Mr. BRITTEN. I will answer the gentleman in three words—provided that no claim shall be examined or reported which rests upon a contract under which the prime contractor shall have given a full, final, qualified, or unqualified release to the United States.

What does the gentleman say to that?

Mr. DOWELL. That is where a claim has been completely settled.

Mr. BRITTEN. Certainly; and there are no others, except those whose names have been given us by the chiefs of the bureaus.

Mr. DOWELL. But they have six months' time within which to file claims from the passage of this act.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. DOWELL. Mr. Chairman, I ask unanimous consent that his time be extended for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DOWELL. Then, on another point.

Mr. BURTNESS. Is the gentleman satisfied with the language there?

Mr. DOWELL. I am not. My claim, and I believe I am justified in it, is that the Secretary of the Navy must investigate every claim that is submitted by any contractor who has sustained a loss under a contract with the department between certain dates.

Mr. BRITTEN. Let me read it again, please.

A MEMBER. What page?

Mr. BRITTEN. Page 13, line 7, the proviso.

Mr. DOWELL. I want to interrogate the gentleman upon the other question where he says the Secretary of the Navy has no authority to settle claims. At the bottom of page 13 I read the following:

That the Secretary of the Navy shall decide each claim presented under this section in accordance with the principles of justice and equity, etc., and shall fix and determine the amount thereof and shall recommend, etc.

Mr. BRITTEN. Recommend.

Mr. DOWELL. No; it says fix and recommend; I will read it.

Mr. BRITTEN. He must fix the amount when he investigates it.

Mr. DOWELL (reading):

And if it shall be found that on account of such action of the Government hereinbefore stated a loss was caused to any such claimant, the Secretary of the Navy shall fix and determine the amount thereof.

What does that mean? It means that it is final.

Mr. BRITTEN. What does he do when he fixes the amount? He must report to the Bureau of the Budget.

Mr. DOWELL. I will tell you what he does. He then recommends to the Budget the amount of the findings so that the Budget under the law may submit to Congress an amount necessary and proper to pay the claim that has been allowed.

Mr. CARTER. Is not that just the same language used in reference to bills referring claims to the Court of Claims for judgment?

Mr. DOWELL. Absolutely, and there can be no question of the interpretation of the language.

Mr. BRITTEN. The intention and desire of the committee is not to have the Secretary settle, and it is not the desire to have Congress part with the control of the settlement of the findings, but the desire of the committee was that the final settlement and appropriation should be left to Congress.

Mr. HULL. I desire to ask the gentleman a question for my own information. This permits the contractors not only to figure the actual loss but permits them to figure the prospective profits up to 6 per cent?

Mr. BRITTEN. No.

Mr. HULL. That is what it does.

Mr. BRITTEN. Not at all.

Mr. HULL. What does this language mean where it says—

Mr. BRITTEN. It provides that where the contractor has been damaged by action of the Government, as indicated in my remarks a while ago, if the same contractor through all of his work for the Government has not made 6 per cent he may then file in just the amount of 6 per cent on all the work. It has no reference—

Mr. HULL. If he has not he can claim prospective profits?

Mr. BRITTEN. No.

Mr. HULL. I want to call the attention of the gentleman to this. The Dent Act eliminated all prospective profits or otherwise. This appears worse than the original Dent Act.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. BRITTEN. I will.

Mr. CONNALLY of Texas. If the gentleman intends to limit the provisions to these six claims, why does he not name them by saying the following claims, and possibly all objection will be obviated.

Mr. BRITTEN. There are eight. I have no objection—

Mr. CONNALLY of Texas. If the gentleman will do that I think he might eliminate the objection; otherwise the section will probably be killed.

Mr. BRITTEN. Besides, you have to grant the Secretary the right to waive liquidated damages.

Mr. WINGO. If the gentleman will permit a suggestion. It is now about time for the committee to rise and let me make this suggestion to the gentleman based upon the obvious temper of the committee. Had not you better rise and then by tomorrow morning, or whenever you take up the bill, have a provision that will amend this so as to restrict it to the six or eight claims with proper limitations that will authorize the Secretary of the Navy to ascertain what amount, if any, is due, and report his findings to the House? I think that may be better rather than—

Mr. BUTLER. Does the gentleman suggest that it be made to the House or to the Appropriations Committee?

Mr. WINGO. Made to the Congress and not the Bureau of the Budget, because the framing of the language you have got would raise the contention that it was in the customary language in which these claims come to us for an appropriation. Let him report to the Congress the findings of fact, specifying the six or eight claims, and I think the House would be inclined to give it to you.

Mr. DOWELL. Congress will determine whether it should be paid.

Mr. WINGO. Report it to the Congress for consideration, not an appropriation.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. BUTLER. We want to do the right thing. We are all manly men, and we need not be frightened because some man comes along and says the Government owes him money. All we desire to know is whether or not the Government does owe him money. Nobody is questioning anyone. They simply want to protect the Government from any claim that ought not to be made against the Government.

My two colleagues have worked out the best bill they could, so as to include all the claims that might be presented. In the case of the *Idaho*, I want to say to the Members who are here that you may believe me as a living witness, a man speaking the truth, when I say that never was such an injustice done before. I was one of the men who asked the Secretary to put this vessel to sea so that we might be successful in the war. The *Idaho* was under contract with the New York Shipbuilding Co. She lay there. It was not in my district. She lay over in New Jersey. I was one of those who persuaded the Secretary of the Navy to finish her, let the cost be what it would. I can not pay the bill, but I feel myself somewhat responsible to those shipbuilding people, because I urged that the vessel be finished. I perhaps overstepped the mark in my zeal and desire to see this ship prepared for service at sea. I had something to do with this 1916 building program to go to the war and fight the Hun. They covered the ship day and night with all hands possible and finished her, and she was sent to sea.

Mr. COOPER of Wisconsin. What year was that?

Mr. BUTLER. That was in the spring of 1918.

Mr. COOPER of Wisconsin. They have had that claim ever since?

Mr. BUTLER. Yes. That claim has never been paid.

Mr. COOPER of Wisconsin. It has not been paid, but it has not been presented to the Court of Claims?

Mr. BUTLER. No. The Court of Claims has no jurisdiction. Now, I want to say to my friend from Wisconsin that the Secretary approved of this claim. He had all the claims before him.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. Yes.

Mr. DOWELL. Did the Court of Claims have jurisdiction over that?

Mr. BUTLER. No.

Mr. DOWELL. Will the gentleman tell us why?

Mr. BUTLER. It is not based on a contract for damage.

Mr. STAFFORD. It is not based on any contract that is valid or recognized by the Government.

Mr. BUTLER. The money was set aside and the claim was intended to be paid with promptness. But the authorized cost of the ship had been exceeded. We were limited to so much money, and it cost \$800,000 or \$900,000 more to complete her in advance of the time and make her ready for battle.

I am going to suggest this, if it is agreeable to my two young friends, who worked very hard on this matter. Their services should not be overlooked. They are as careful as the rest of us. I suggest that we pass over this section unacted upon and think it over until the morning, when you will probably have presented to you a measure upon which you can all agree, where the claim will be fully set out, with authority given to the Secretary of the Navy to report the facts to Congress. I am told by the leader of the House that this is the last day for us. We have some provisions here in which I am interested, but I am not going to press them.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent that the gentleman may have three minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BUTLER. I hope we can put our heads together, and I want the view of the gentleman from Alabama to be considered along with those of the gentleman from Illinois [Mr. BRITTON] and the gentleman from Georgia [Mr. VINSON] and the gentle-

man from Virginia [Mr. DREWRY], and I hope to-morrow we shall be able to bring here some suggestion by which justice can be done these claimants.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. Yes.

Mr. OLIVER. I want to state to the House, with the permission of the gentleman, that I was on the Committee on Naval Affairs when many of these claims were considered, and the gentleman from Pennsylvania [Mr. BUTLER] was largely in accord with me and held that we should be very careful in preparing the bill whereby these claims should be considered by the Secretary for investigation and report. He felt that from his personal knowledge of at least one claim it was a foundation for a meritorious measure and had been overlooked. I went to him this morning and, recognizing, as the gentleman from Illinois [Mr. GRAHAM] has pointed out, that, standing alone, some of these words might be misconstrued and might perhaps do what this Congress and this committee did not desire to be done, I drew this amendment and asked him if it would meet his approval at the end of the section, and he said it did, showing that nothing would be done by the Secretary that would in any way place an obligation on the Government or release any rights the Government had. And here is the way it reads:

That any action taken by the Secretary of the Navy under the authority of this section shall be taken only as a direction to the Congress through the Bureau of the Budget, and shall not be considered as imposing any obligation against the Government or releasing any claim or rights of the Government.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. OLIVER. I know that was the attitude of the gentleman.

Mr. BUTLER. I am in entire accord with my friend. This subject is a very old one between him and me. We have been endeavoring to hold off any claim that we thought perhaps might not have a real, substantial foundation to it, and our purpose has been to bring the House into a frame of mind where it would permit the Government to ascertain the facts and to make a report somewhere, to get the official judgment and recommendation of the Secretary of the Navy.

Mr. LONGWORTH. Do I understand the gentleman to suggest that these claims be specified by name?

Mr. BUTLER. I suggest that by to-morrow we will have perhaps a substitute for this section that I think the House will accept.

Mr. GRAHAM of Illinois. I do not think there is any man in this House in whose honesty the Members have more confidence than in the gentleman from Pennsylvania. [Applause.] This will satisfy me. What I have insisted all the time is that you name these claims and let the Secretary examine them and let us ultimately pass on them.

Mr. BUTLER. That is what I have been endeavoring to do, not to bind the Secretary, but to have him say somewhere that the *Idaho* was under the direction of the Navy Department, that all this work was done under the direction of the department, that the department can not pay the money because they increased the cost of the ship, that they acted under great pressure; and then there will be something to act upon.

Mr. GRAHAM of Illinois. Why not pass this over by unanimous consent until to-morrow?

Mr. BUTLER. I ask unanimous consent that this section be passed over until this bill is again under consideration.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent that this section be passed without prejudice. Is there objection?

Mr. BLANTON. Mr. Chairman, reserving the right to object, there are several of us who would like to be heard on this section.

Mr. BUTLER. Oh, yes.

Mr. BLANTON. Are we going to be cut off to-morrow?

Mr. BUTLER. No; when we meet again for the purpose of considering this bill, we will have something to offer.

Mr. BLANTON. And we will be given an opportunity to be heard?

Mr. BUTLER. Yes.

Mr. BLANTON. How much longer are we going to run this afternoon?

Mr. BUTLER. I have not much to do with that.

Mr. BLANTON. There are some other matters here that will be controverted.

Mr. BUTLER. I renew my request.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent that this section be passed over, to be called up at a later session of the committee. Is there objection?

There was no objection.

The Clerk read as follows:

REPEAL OF SO MUCH OF SECTION 3 OF THE ACT OF JUNE 4, 1920, AS AUTHORIZES TRANSFERS AND APPOINTMENTS IN THE REGULAR NAVY.

SEC. 12. That hereafter no officer of the United States Naval Reserve Force shall be transferred to or appointed in the regular Navy under the provisions of section 3 of the act of June 4, 1920, and so much of said section 3 of the act of June 4, 1920, as authorizes such transfers and appointments is hereby repealed.

Mr. COOPER of Wisconsin. Mr. Chairman, I move to strike out the last word. I ask unanimous consent to speak on the section which has just been passed over.

The CHAIRMAN. The gentleman asks unanimous consent to proceed out of order. Is there objection?

There was no objection.

Mr. COOPER of Wisconsin. Mr. Chairman, this is a proposition to turn over claims against the United States Government for consideration by the Secretary of the Navy either in person or (see line 16, on page 13) "through such agencies as he may establish." These agencies may conduct hearings and examine witnesses in private. The hearings may be held in any office where the agency established by the Secretary may decide to hold them. There will be no publicity. The procedure will not be like that in the Court of Claims, where the Government and the claimant are represented by counsel and there is examination and cross-examination of witnesses in public. But these claims against the Government are to be heard in private anywhere that the agents may choose to consider them.

And now I direct especial attention to the mandatory language in line 22, page 13. It is there provided that "the Secretary of the Navy shall decide each claim," and so forth. Now, to "decide" a claim means to render a final decision upon it. That is exactly what it means and nothing else. So that the Secretary of the Navy, after this possibly secret hearing by some agent that he has appointed, is to "decide" the claim, and then, in accordance with the proviso on page 14, lines 16 to 19, inclusive, he is to report it to Congress "for appropriation." Mark those words—"for appropriation." He "decides" the claim and reports it to Congress "for appropriation."

I repeat that the only possible reasonable construction to put upon that language is that the Secretary of the Navy having "decided"—that is, rendered final decisions—as to the amounts due, these claims are to be reported to Congress not for examination and decision but "for appropriation."

As for myself, Mr. Chairman, if the question comes upon the motion to strike out the section in its present form, I shall support the motion. This making the Treasury of the United States subject to the payment of claims adjudicated in secret is all wrong.

Mr. BRITTEN. Will the gentleman yield for a question?

Mr. COOPER of Wisconsin. Yes.

Mr. BRITTEN. Does my friend feel that a contract is adjudicated in secret when it is investigated by the Secretary of the Navy and the Navy Department, and then the Secretary makes his report to the Bureau of the Budget, and the Bureau of the Budget makes its report to an appropriating committee in Congress, and they all determine on its propriety? Does the gentleman call that a settlement in secret?

Mr. COOPER of Wisconsin. The gentleman from Illinois has supposed a lot of things that are not germane to the question now before the House, because they are not to be found in the pending bill. I have directed attention to the language of the bill and to its plain intent. I have seen this sort of thing done before, and this is one of the most indefensible propositions that in many years has been presented to Congress.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. SWING. There is nothing before the House.

Mr. BLANTON. The gentleman from Wisconsin moved to strike out the last word.

Mr. SWING. This section of the bill was passed over by unanimous consent.

The CHAIRMAN. Does the gentleman from California claim the floor?

Mr. SWING. I rise to a parliamentary inquiry, if the proper thing is not for the Clerk to read the next section.

The CHAIRMAN. The next section has been read and has been debated by the gentleman from Wisconsin.

Mr. BLANTON. And I rise in opposition.

Mr. SWING. The gentleman from Wisconsin has been debating the section which has been passed over.

The CHAIRMAN. The gentleman asked unanimous consent to do that, which was granted.

Mr. CHINDBLOM. I offer an amendment.

Mr. BLANTON. I move to strike out the last word.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. CHINDBLOM].

Mr. CHINDBLOM. Mr. Chairman, I offer an amendment. After line 3, insert a new section.

The CHAIRMAN. The gentleman from Illinois [Mr. CHINDBLOM] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. CHINDBLOM: Page 15, after line 3, insert a new section as follows: "That on and after July 1, 1922, the retainer pay of all men who were on that day transferred members of the Fleet Naval Reserve or the Fleet Marine Corps Reserve shall be computed on the rates of pay authorized for enlisted men of the naval service by the act approved June 10, 1922: *Provided*, That the retainer pay of said reservists shall be not less than that to which they were entitled on June 30, 1922, under decisions of the Comptroller of the Treasury in force on that date."

Mr. BUTLER. Mr. Chairman, I reserve a point of order on that.

Mr. BLANTON. I make the point of order that it is not germane.

Mr. STAFFORD. I make the further point of order that under the rule by which the bill is being considered only the committee amendments and amendments to those committee amendments are in order.

Mr. CHINDBLOM. Will the gentleman reserve his point of order for a moment?

Mr. STAFFORD. I understand from the statement by the chairman of the Committee on Rules when the rule was presented for adoption that nothing but amendments to the committee amendments are in order.

The CHAIRMAN. This is clearly subject to a point of order. The gentleman from Illinois does not wish to contest that.

Mr. CHINDBLOM. It is on the subject matter of the preceding section.

The CHAIRMAN. The Chair sustains the point of order.

Mr. CHINDBLOM. Will not the gentleman reserve the point of order?

Mr. STAFFORD. I will reserve the point of order.

Mr. BLANTON. What is the use of sitting here all night considering propositions that are out of order. If the gentleman wants to speak, I have no objection, but we ought to rise now.

Mr. CHINDBLOM. If the gentleman will reserve his point of order—

Mr. BLANTON. I will reserve the point of order.

Mr. CHINDBLOM. Mr. Chairman, this is a matter to which I referred yesterday in a colloquy with the chairman of the committee. He then said that he believed that this matter was covered by the first committee amendment, designated as section 2.

When the pay bill was passed, that bill explicitly provided that members transferred from the Navy to the Fleet Naval Reserve should not, through its operations, be reduced from the pay now being received by them. The words "now being received" being an exact quotation from the language of the law. The Comptroller General subsequently rendered an opinion in which he overruled the decisions which had been rendered by the Comptroller of the Treasury for a long period of time, and as a result of which such transferred members of the Fleet Naval Reserve got large reductions in pay. I think that was a great injustice against the men who have been in the service of the country. I am not going to pass judgment on the opinion of the Comptroller General at this moment, but those who are familiar with the facts in this case—and I think the gentleman from Pennsylvania is in sympathy with the amendment—

Mr. BUTLER. I think it has merit, but I am not acquainted with all the facts.

Mr. CHINDBLOM. The gentleman stated yesterday that he was in favor of it.

Mr. BUTLER. Yes; but it refers to another subject.

Mr. CHINDBLOM. Mr. Chairman, I will not take more time if the point of order is insisted on.

Mr. BLANTON. I make the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. CHINDBLOM. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHINDBLOM. Mr. Chairman, under the leave to extend my remarks I want to make some further observations on my proposed amendment to section 12 of the committee amendment to Senate bill 4137. The act of June 10, 1922, was reported by a joint committee of both Houses, and is entitled "An

act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service." It was a comprehensive and well-considered legislative enactment. Section 10 of that act fixed the monthly base pay after July 1, 1922, of warrant officers and enlisted men of the Navy and Coast Guard, and authorized the Secretary of the Navy "to fix the pay grade for the various ratings of enlisted men of the Navy," and the Secretary of the Treasury "to fix the pay grade for the various ratings of the enlisted men of the Coast Guard." Thereupon, and immediately in that connection, there was placed in the law the following provision:

Nothing contained herein shall operate to reduce the pay now being received by any transferred member of the Fleet Naval Reserve.

It is clear that the purpose of this provision was to confirm these "transferred members" of the Fleet Naval Reserve in the pay which they were receiving on the date the law went into effect, which by its own terms was July 1, 1922. These transferred members continued to receive the pay which they were receiving both on June 10, 1922, and on July 1, 1922, until August 7, 1922, when the Comptroller General of the United States, in a decision, held that men transferred from the Regular Navy to the Fleet Naval Reserve between August 29, 1916, and July 11, 1919, were entitled to retainer pay on and after July 1, 1922, computed on the rates of pay authorized in the act of May 13, 1908. Although on June 30, 1922, they were receiving retainer pay computed on the rates of pay authorized in the act of May 18, 1920, under a series of decisions of the Comptroller of the Currency authorizing such computation. These decisions of the Comptroller of the Currency were four in number and had been accepted by the Comptroller General, who permitted the payments thereunder to be made up to June 30, 1922, and, in fact, up to August 7, 1922, when he reversed the Comptroller of the Currency, as well as his own acceptance of the latter's ruling on the subject.

While the joint congressional committee, appointed under the act of May 18, 1920, was considering the bill which became the law of June 10, 1922, I personally called upon members of the committee and their advisers and was assured that it was their purpose that the transferred members of the Fleet Naval Reserve should not be reduced in pay.

There is no question as to what was the intention of the Congress. I believe every Member of the House took the bill to mean what it said, viz, that the transferred members of the Fleet Naval Reserve should continue to draw the retainer pay which they were receiving—now—when the bill was passed. The Judge Advocate General of the Navy took the same position. Upon the request of the Secretary of the Navy the Comptroller General reconsidered the question, and on December 8 last reaffirmed his decision of August 7, 1922, except that in the later opinion he held that "payments prior to July 1, 1922, having been made otherwise under decisions in effect when made, they will not be disturbed." Doubtless the men affected are disposed to bow gratefully with an humble "For this relief, much thanks"; but the inquiry might be pertinent why an erroneous opinion—under the ruling of the Comptroller General—should authorize or condone payments prior to July 1, 1922, but not thereafter. Be that as it may, my view is that the Congress had the authority on June 10, 1922, when the pay bill was passed, to fix the basis for the retainer pay of these transferred members of the Fleet Naval Reserve, and the Congress did so fix that basis when it declared that nothing in that law should operate to reduce their pay below that which they were then receiving. It was not to be presumed that the executive officers of the Government, with the acquiescence and consent of the Comptroller General himself, were violating the law by paying larger compensation than the law permitted. The Congress took the status quo in this matter and based its action thereupon.

In his opinion of December 8 last to the Secretary of the Navy the Comptroller General stated, with reference to the provision in section 10 of the act of June 10, 1922, as follows:

The clause gives nothing affirmatively, but negatively prevents reduction of the pay authorized by law now being received.

The words "authorized by law" are interpolated by the Comptroller General; they are not in the act of June 10, 1922. The Congress could easily have used those words. It might have said that these service men should not be reduced below the pay "authorized by law," or the pay "to which any transferred member of the Fleet Naval Reserve is entitled." Those would have been customary and usual provisions. Instead of so expressing itself, the Congress took the state of facts then existing and generally known and made that situation the basis of its action, and that action was as much the law as any prior enactment. The Comptroller General begs the question

when he says, as he does in his last opinion to the Secretary of the Navy, that the act of June 10, 1922, "does not authorize the continuance of pay of any character not provided by law." The act of June 10, 1922, is itself a law fixing pay which thereby and thereafter was "provided by law."

It is greatly to be regretted that the pending bill does not relieve the situation to which I have referred, but it is to be hoped that legislation to that end will be embodied in the measure before it is finally enacted. The proposition is highly meritorious and carries out the original intent of the Congress. Most of the men involved served through the war during the period of stress and danger and are entitled to transfer to the reserve fleet upon the basis of the pay they received when their services were no longer demanded.

Mr. BLANTON. Mr. Chairman, I make the point of order that we have no quorum present.

Mr. BUTLER. Let us read the next section. I am 20 years older than the gentleman from Texas, and I can stand it five minutes more.

Mr. BLANTON. Very well; I withdraw the point.

The Clerk read as follows:

#### DISCHARGES FOR THE GOOD OF THE SERVICE.

SEC. 13. That hereafter persons discharged from the naval service by dishonorable discharge, bad-conduct discharge, or any other discharge for the good of the service, may, upon discharge, be paid a sum not to exceed \$25: *Provided*, That the said sum shall be fixed by, and in the discretion of, the Secretary of the Navy, and shall be paid only in cases where the person so discharged would otherwise be without funds to meet his immediate needs: *Provided further*, That hereafter the appropriation "Maintenance, Quartermaster's Department, Marine Corps," shall be available for the purchase of civilian outer clothing, not to exceed \$15 per man, to be issued when necessary to marines discharged for bad conduct, undesirability, unfitness, or inaptitude.

Mr. BUTLER. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill S. 4137 and had come to no resolution thereon.

#### AGRICULTURAL APPROPRIATION BILL.

Mr. ANDERSON. Mr. Speaker, I present a conference report on the agricultural appropriation bill for printing under the rules.

The Clerk read the title of the bill (H. R. 13481) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1924, and for other purposes.

#### THE REPARATIONS CRISIS.

Mr. TEMPLE. Mr. Speaker, I wish to make a unanimous-consent request, and then I would like a minute to make a statement concerning it.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to proceed for one minute. Is there objection?

There was no objection.

Mr. TEMPLE. Mr. Speaker, in the course of his remarks yesterday the gentleman from Minnesota [Mr. KNUTSON] quoted certain passages from an article, of which I am the author, in the January number of the Forum. My views are not at all those expressed by the gentleman from Minnesota. [Applause.] My good wishes are with France in her attempt to collect what is due to repair the damage caused her by Germany and the other central powers. The article in the Forum, which was written two months ago and several weeks before the occupation of the Ruhr Valley by the French forces, attempted to set forth the facts in regard to the reparations crisis in the stage which it had then reached. The article states plainly that there would be no injustice in collecting from Germany the full amount fixed by the Reparations Commission. The passages quoted by the gentleman from Minnesota in his speech are so associated with other material that my own view might be misunderstood by a careless reader. Therefore I ask unanimous consent that the full text of my article be printed in the RECORD in 8-point type.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD in the manner indicated, in 8-point type. Is there objection?

There was no objection.

The article referred to is as follows:

#### THE REPARATIONS CRISIS.

[By HENRY W. TEMPLE.]

Three things have brought Europe to the verge of economic ruin—the loss of man power and of capital during the four years of war, certain crushing and unworkable provisions of the

peace treaty, and the continuing fears and jealousies of governments and peoples which have perpetuated old hatreds and created new ones. It is true that the present crisis arises out of the differences of opinion between the British Government and the French Government concerning Germany's willingness or ability to meet the reparations payments and the measures that ought to be taken to collect from the unwilling or bankrupt debtor.

In the Versailles peace treaty Germany specifically accepted the responsibility of Germany and her allies for causing all the loss and damage which the allied and associated governments and their peoples had suffered as a consequence of the war. The allied and associated governments also definitely recognized in the treaty that the resources of Germany were not adequate to make complete reparation for all such loss and damage. The treaty did not attempt to fix the amount of the damage for which compensation was to be made by Germany, but it did provide that Germany should pay 20,000,000,000 gold marks prior to May 1, 1921, and that payment should be made in gold, commodities, ships, securities, or otherwise, as the Reparations Commission might fix. The treaty further provided that the total amount of damages in addition to the above-mentioned 20,000,000,000 gold marks should be determined by the Reparations Commission and notified to the German Government on or before May 1, 1921.

On January 23, 1921, the Reparations Commission issued a statement showing that prior to December 31, 1920, Germany had delivered, in payment of the preliminary 20,000,000,000 gold marks, the following ships and commodities:

Coal estimated at 17,818,840 tons; sulphate of ammonia, 19,000 tons; steamers, sailing vessels, and trawlers, 2,054,729 tons gross; river craft and material, 38,730 tons; live stock, 360,176 beasts; seeds, 6,882,588 kilos; dyes and dyestuffs, 10,787,827 kilos; pharmaceutical products, 57,823 kilos; rolling stock (locomotives), 4,571; rolling stock (freight cars), 129,555; motor lorries, 5,000; railway material, 140,000 tons; agricultural machinery, machines, and implements, 131,505. In addition, the commission's statement showed that Germany had delivered the submarine cables under German control, of which only those privately owned were to be credited to reparations. The statement of the Reparations Commission further said that the list did not include certain other deliveries for which figures were not yet completely determined. In addition to these deliveries there were others not to be credited to the payment of the 20,000,000,000 gold marks, but which were in the nature of restitutions to France and Belgium, of agricultural material, industrial material, locomotives, and freight cars, to compensate for those seized by Germany in territory belonging to France and Belgium.

Conflicting estimates were placed upon the value of these payments in kind, but there is no doubt that they fell far short of the 20,000,000,000 gold marks required.

On May 10, 1921, Germany, under pressure, accepted the estimate made by the Reparations Commission of the additional reparations, which the commission fixed at the sum of 132,000,000,000 gold marks (about \$33,000,000,000). This sum was covered by bonds which were to be issued in three series. Series A, amounting to 12,000,000,000, and series B, amounting to 38,000,000,000, bearing interest at 5 per cent, were delivered to the allied governments. The bonds of series C, amounting to 82,000,000,000 of gold marks, were also to be delivered by November 1, 1921.

They were to be without interest coupons and it was provided that they should be issued by the Reparations Commission "as and when it is satisfied that the payments which Germany is required to make in pursuance of this schedule are sufficient to provide for the payment of interest and sinking fund on such bonds." Annual payments were to be made as follows: A fixed sum of 2,000,000,000 gold marks, plus a variable payment amounting to 26 per cent of the value of German exports which, it was estimated, would amount to another billion. These annual payments were really sufficient only to cover the 5 per cent interest on bonds of series A and B and to provide an additional 1 per cent toward the amortization of these bonds. The payment was not sufficient to provide anything for the additional 82,000,000,000 gold marks of the bonds of series C. Payment of the first billion was made within the specified time, but almost immediately Germany began to assert her inability to make further payments as they became due, and there has been conference after conference, postponement after postponement until the present time. The French Government has shown more and more inclination to take stronger measures for the collection of these payments, and the possibility of independent action by that Government is a serious element in the European situation.

Of the proposal to occupy the Ruhr Valley the British prime minister said to the House of Commons: "We can not look with equanimity upon any action which seems to us likely, or which we believe will have the effect, not of producing reparations, but making them more difficult to get, perhaps making them impossible altogether." The prime minister continued: "I believe, and think that almost everyone believes, that the terrible trouble in Europe is that there is no hope of any solution unless France and we get together. I am perfectly sure of this, and I and the Government which I represent will be acting according to the wishes of the whole nation if we make clear that the difference is more serious than a difference between governments. The difference likely to arise is the difference between the public opinion of two countries, and we are looking from the point of view of maintaining good relations. That makes it more dangerous than if the only question were the difference of opinion between individuals and governments, and that is the reason, I am sure, we at home and the French Government will utilize the time that still remains to try to find some common method to deal with this problem."

The British premier recognizes that the German Government has allowed a tremendous inflation of its currency to take place, which has the effect in itself of making it impossible for Germany to meet any claims for reparations. He says also that the French go further and say that this was deliberately done by Germany, but he adds: "Honestly, I can not myself take that view; and this is the reason: It is perfectly true that by that method of passive resistance they can avoid forever paying any indemnity, but it only means what is very like suicide for Germany. I can hardly believe that any sane Government would deliberately adopt that course."

Even in this statement of the differences between his own opinion and that of the French Government we may observe some progress toward agreement. It is only a few weeks ago that many persons in France and even observant travelers in Germany were divided in opinion as to whether Germany was unable to pay or was really prosperous. It was pointed out that the German stores were full of customers making purchases, that there was almost no unemployment in Germany, and that in general business was active. This was true. Business was feverishly active, but the activity had peculiar causes. In the middle of August the mark was worth one thousand to the dollar. At the present time a dollar will buy more than 8,000 marks. The German people had realized that the fall in the value of the mark had only begun. In August and September they were spending their money as rapidly as possible lest it become worthless in their hands.

The depreciation of the mark is, of course, registered in an increase in the price of commodities, as that price is measured in marks. It was wise for the German people to buy to-day all that they needed to buy, or all the goods they could possibly make use of in the near future, because their money to-day would buy two or three times the quantity of goods that it would procure a month or two later. Merchants realized what was going on, and in many instances stores were closed against the rush of customers in order that the goods might be held for the higher prices of to-morrow. The merchant indeed would have been better off if he could have closed his store altogether and kept the goods in his possession rather than exchange them for money that was growing more and more worthless. He was unable to do this, however; he must sell his goods in order that he might have the means of buying food for his own family, even though he realized that he was eating up his capital and must ultimately go out of business. One of the keenest observers in the diplomatic corps in Berlin, an experienced business man and sound economist, said to me early in September that Germany was about six months behind Austria on the road to economic collapse. I had just returned from Vienna to Berlin, and his statement meant much to me.

My cab fare from the railway station to the hotel in Vienna amounted to 36,000 crowns. A very modest breakfast was 27,000 crowns. A room in the hotel was 220,000 crowns a day. These prices mean nothing when translated into American currency at the rate of 80,000 crowns to the dollar. When so translated they throw no light whatever on the economic situation in Austria. It is only when prices are translated into the terms of Austrian income and the changes of value are thought of with reference to contracts and securities that the situation becomes at all apparent. A note secured by mortgage in 1915 called for 250,000 crowns, which at par would be \$50,000. The mortgage was paid off in August, 1922, and full payment of the 250,000 crowns was made. Translated into terms of American exchange, this means that a note for \$50,000 was paid with \$3.123. A pension of 30,000 crowns was equivalent before the war to \$6,000 in American money. The pension is still paid

and still amounts to 30,000 crowns a year, but the year's income will pay for only one breakfast at the hotel. Wages have gone up, it is true, but not at all in proportion to the increase in prices. A manufacturer in Vienna told me that he was paying to the skilled workmen among his employees about 400,000 crowns a week, but he added that while this would probably buy food for the workman's family, it would not pay for the replacing of worn-out shoes and clothing. The middle class—people living upon fixed incomes—have, of course, had no such readjustment as the working people have had in their advance in wages, and the result is that there is no longer a middle class.

Since September Germany has made rapid progress toward the condition that Austria had already reached; but the importance of Germany in the industrial and commercial organization of the world is so much greater than that of Austria that the economic destruction there, involving 60,000,000 people, destroying both their power to produce goods for the world's use and their power to purchase surplus products of other countries, would have a far greater effect in western Europe and America than the collapse of Austria. The crisis is much more than a political one involving the future relations of France and Great Britain, with the possibility of again disturbing the peace of the world. It is also an economic crisis which, even if war is not to be thought of, threatens disaster to the material side of the world's civilization.

The question involved is bigger than that of reparation for damage done by the war.

It is more important to America than the question of cancellation or payment of the war loans; but that statement does not mean that the war loans should be canceled or that the reparation payments should not be collected. It is far too soon to say that recuperation is impossible. Quick recovery, of course, must not be expected. The people of all the world should realize as early as possible that no act of any Congress or Parliament can at once set the world back on its foundations, so that we may proceed as if there had been no war. The immediate political crisis requires the prompt exercise of all the qualities of statesmanship; the restoration of prosperity, however, must be a slower process. Not only must statesmen realize but also the masses of the people must be convinced that such restoration can only come when the hundreds of billions of wealth destroyed by the war have been replaced—have again been created and accumulated by long-continued industry any saving.

Payments of immense sums by one nation to another, whether in reparation for war damages or for credit upon war loans, can not be made at once. They must be waited for with long patience. The total amount of indebtedness of all European countries to the United States, including war loans, the sums due from sales of war supplies and from sales of flour by the United States Grain Corporation, and other items, and including interest as well as principal, has now reached the enormous sum of eleven billions five hundred and twenty-five millions. The French Government owes the United States three billions seven hundred and seventy millions of this, the British Government owes us four billions seven hundred and forty-seven millions, and Italy owes one billion eight hundred and ninety-one millions. The remainder of the immense sum is owed by 17 other European nations. Great Britain is the only power of the 20 that has begun to pay interest on the obligation.

If the reparation bonds of series C, amounting to 80,000,000,000 gold marks, are to be canceled entirely—and there are signs that European public opinion may be ready for such a step—the remaining obligations represented by the bonds of series A and B amount to 50,000,000,000 gold marks, or approximately twelve and one-half billions of dollars. This sum owed by Germany is larger than the total owed to the United States by the 20 European nations. If the victors, who among them have already received from Germany more than 1,000,000,000 gold marks and the several billion marks in value represented by the payments in kind mentioned above, are unable to pay even the interest on eleven and one-half billions, it would appear reasonable that Germany may be unable to pay any large part of the reparations amounting to a still greater sum. It will be generally recognized in America that there would be no injustice in collecting from Germany the whole of the 132,000,000,000 gold marks (\$33,000,000,000) named by the Reparations Commission as necessary to cover the damage for which Germany was responsible, if collection were possible. But if attempts at immediate collection by force would precipitate ruin, that would affect not only Germany but western Europe and America as well, then it is to be devoutly wished that the conference adjourned at London because of disagreement between France and Great Britain may be resumed later, with a better hope of reasonable adjustment.

There is increasing demand that the United States take part, directly or indirectly, in a conference which shall deal with this subject. Doubtless some among those that make this demand believe that the United States should shoulder the greater share of the financial burden. An international loan to Germany is suggested. There is no likelihood that the Government of the United States will tax the American people or will issue bonds to raise the large sum necessary for this purpose. There is no likelihood that private interests will make such a loan to Germany unless there should be a guaranty of such an arrangement concerning reparations as would permit Germany to use the loan for productive purposes—that is, to restore sound conditions in Germany—and unless there should be a further guaranty that when Germany has done this no power will send a military force into Germany to seize and control the industries thus restored. We in America can not live as if we were not a part of the world. We must be willing to use our resources and our energies in cooperation with European nations to prevent the wreck that threatens civilization, but we must avoid such participation as would rouse in America jealousies and hatreds from which our geographical position and our international policy in the past have kept us free.

#### ENROLLED BILL SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 13926. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1924, and for other purposes.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 3721. An act providing for the erection of additional suitable and necessary buildings for the National Leper Home.

#### ADJOURNMENT.

Mr. BUTLER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 5 o'clock and 27 minutes p. m.) the House adjourned until to-morrow, Saturday, February 17, 1923, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1000. A letter from the Acting Director of the United States Veterans' Bureau, transmitting a statement as of February 1, 1923, indicating the total number of positions at a rate of \$2,000 or more per annum, the rate of salary attached to each position, and the number of positions at each rate in the central office, together with a statement indicating the corresponding information as of January 1, 1923, for the district and subdistrict offices; to the Committee on Appropriations.

1001. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the War Department for the fiscal year ending June 30, 1923, for expenses of the international shooting competition, \$25,000 (H. Doc. No. 583); to the Committee on Appropriations and ordered to be printed.

1002. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the General Accounting Office for the fiscal year ending June 30, 1924, for additional personnel for auditing the financial transactions of the United States Shipping Board Emergency Fleet Corporation, \$58,350 (H. Doc. No. 584); to the Committee on Appropriations and ordered to be printed.

1003. A communication from the President of the United States, transmitting a supplemental estimate of appropriations for the War Department for the fiscal year ending June 30, 1923, amounting to \$602,500 (H. Doc. No. 585); to the Committee on Appropriations and ordered to be printed.

1004. A communication from the President of the United States, transmitting supplemental and deficiency estimates for the Navy Department for the fiscal year ending June 30, 1923, and for prior years, amounting to \$21,163,725.37, together with certain proposed legislation (H. Doc. No. 586); to the Committee on Appropriations and ordered to be printed.

1005. A communication from the President of the United States, transmitting deficiency estimate of appropriations for the Department of State for the relief and protection of American seamen, amounting to \$1,516.49 for the fiscal year ending June 30, 1921, and \$10,536.88 for the fiscal year ending June 30, 1922; in all, \$12,053.37 (H. Doc. No. 587); to the Committee on Appropriations and ordered to be printed.

1006. A communication from the President of the United States, transmitting supplemental estimate of appropriation for

the Department of the Interior for the fiscal year ending June 30, 1923, to reimburse the Territory of Alaska for moneys advanced to the Governor of Alaska for repairs to his residence at Juneau, Alaska, necessitated by fire in the building, amounting to \$857 (H. Doc. No. 588); to the Committee on Appropriations and ordered to be printed.

1007. A communication from the President of the United States, transmitting supplemental estimate of appropriation for the Alien Property Custodian for the fiscal year ending June 30, 1923, \$8,324.93 (H. Doc. No. 589); to the Committee on Appropriations and ordered to be printed.

1008. A communication from the President of the United States, transmitting an estimate of appropriation for the Supreme Court of the United States for the fiscal year ending June 30, 1923, for a marble bust, with pedestal, and for an oil portrait of the late Chief Justice Edward Douglass White (H. Doc. No. 590); to the Committee on Appropriations and ordered to be printed.

1009. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Treasury Department for the fiscal year ending June 30, 1923, amounting to \$78,838,515.95 (H. Doc. No. 591); to the Committee on Appropriations and ordered to be printed.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII.

Mr. VOLSTEAD: Committee on the Judiciary. H. R. 14337. A bill to incorporate the Belleau Wood Memorial Association; with an amendment (Rept. No. 1624). Referred to the House Calendar.

Mr. DOMINICK: Committee on the Judiciary. H. R. 7851. A bill to amend an act entitled "An act to amend an act entitled 'An act to provide for the appointment of a district judge, district attorney, and marshal for the western district of South Carolina, and for other purposes,'" approved September 1, 1916, so as to provide for the terms of the district court to be held at Spartanburg, S. C.; with an amendment (Rept. No. 1625). Referred to the House Calendar.

Mr. BOIES: Committee on the Judiciary. S. 3892. An act authorizing the State of California to bring suit against the United States to determine title to certain lands in Siskiyou County, Calif.; without amendment (Rept. No. 1626). Referred to the Committee of the Whole House on the state of the Union.

Mr. HERSEY: Committee on the Judiciary. H. R. 14226. A bill to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916; with an amendment (Rept. No. 1627). Referred to the Committee of the Whole House on the state of the Union.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. FOCHT: A bill (H. R. 14361) to authorize and direct the Commissioners of the District of Columbia to erect a building for the care of tubercular pupils; to the Committee on the District of Columbia.

By Mr. NEWTON of Minnesota: A bill (H. R. 14362) to amend subdivision (II) of section 20 of the interstate commerce act as amended; to the Committee on Interstate and Foreign Commerce.

By Mrs. HUCK: A joint resolution (H. J. Res. 450) announcing that the Congress of the United States shall make no concessions to any country that does not refer the question of war to its people; to the Committee on Foreign Affairs.

By Mr. PORTER: A joint resolution (H. J. Res. 451) requesting the President to urge upon the governments of certain nations the immediate necessity of limiting the production of habit-forming narcotic drugs and the raw materials from which they are made to the amount actually required for strictly medicinal and scientific purposes; to the Committee on Foreign Affairs.

By Mrs. HUCK: A concurrent resolution (H. Con. Res. 85) declaring the people of the Philippine Islands to be free and independent; to the Committee on Insular Affairs.

By Mr. FOCHT: A resolution (H. Res. 534) for the immediate consideration of Senate bill 3136, the teachers' pay bill; to the Committee on Rules.

By Mr. SUMMERS of Washington: A resolution (H. Res. 535) for the immediate consideration of Senate bill 3808; to the Committee on Rules.

By Mr. BRIGGS: Memorial of the Legislature of the State of Texas urging immediate recognition of the Obregon government in Mexico; to the Committee on Foreign Affairs.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GILLETT: A bill (H. R. 14363) for the relief of Charles A. Eastman; to the Committee on Indian Affairs.

By Mr. HICKS: A bill (H. R. 14364) for the relief of Charles Beck; to the Committee on Claims.

By Mr. J. M. NELSON: A bill (H. R. 14365) granting an increase of pension to Aurora C. B. Kinney; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 14366) granting a pension to Julia Conger; to the Committee on Invalid Pensions.

By Mr. TINCHER: A bill (H. R. 14367) granting a pension to Visa A. Moser Elliott; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7322. By the SPEAKER (by request): Petition of Women's International League for Peace and Freedom, Massachusetts branch, Boston, Mass., urging repeal of the espionage act; to the Committee on the Judiciary.

7323. By Mr. BRIGGS: Letter of Mr. R. C. Spinks, Crockett, Tex., urging passage of truth in fabric bill and other legislative relief; to the Committee on Interstate and Foreign Commerce.

7324. By Mr. KISSEL: Petition of chairman New York League of Women Voters, urging passage of House bill 11490 transferring work of Interdepartmental Social Hygiene Bureau to the Department of Justice; to the Committee on the Judiciary.

7325. Also, petition of Kings County Republican Committee, favoring a child labor amendment to United States Constitution; to the Committee on the Judiciary.

7326. Also, petition of Maritime Association of the Port of New York, favoring passage of a bill providing for Government ownership and operation of Cape Cod Canal; to the Committee on Interstate and Foreign Commerce.

7327. By Mr. RAINEY of Illinois: Petition of Eaton Priddy Post, No. 111, of the American Legion, favoring an appropriation for the development and promotion of the Organized Reserves and the citizens' military training camps; to the Committee on Appropriations.

#### SENATE.

SATURDAY, February 17, 1923.

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father who art in heaven, hallowed be Thy name. Thy kingdom come. Grant that we each may have a part in bringing in that kingdom until the kingdoms of this world shall become the kingdom of our Lord, Jesus Christ. Enable us in all our duties to find an earnest of Thee in the understanding of the times and in our desire to fulfill Thy will. Through Jesus Christ. Amen.

The reading clerk proceeded to read the Journal of the proceedings of the legislative day of Tuesday, February 13, 1923, when, on request of Mr. CURRIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

#### CALL OF THE ROLL.

Mr. McKELLAR. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll. The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Curtis	Harrison	McCormick
Ball	Dial	Heffin	McCumber
Bayard	Dillingham	Hitchcock	McKellar
Brookhart	Ernst	Johnson	McKinley
Bursum	Fernald	Jones, Wash.	McLean
Calder	Fletcher	Kellogg	McNary
Cameron	Frelinghuysen	Keyes	Moses
Capper	George	King	Nelson
Caraway	Gerry	Ladd	New
Colt	Glass	La Follette	Norris
Couzens	Hale	Lenroot	Oddie
Culberson	Harris	Lodge	Overman